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Mixing politics & corporate retainers

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Satire, comment and independent reporting

Oct/Nov 1989

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How John Hewson combines corporate consulting with being Shadow Treasurer

SPARE a thought for Shadow Treasurer John Hewson. Once he moved onto the front bench, he had to give up his company directorships with Baring Securities and Oceanic Funds Management Ltd to concentrate on giving Paul Keating a bit of lip. He also sold a swag of shares to tidy up his pecuniary interest statement and had earlier resigned as a director of the Macquarie Bank.

But all was not lost. He retained ownership of Simpsons Restaurant in Sydney and a Ferrari and other expensive pieces of European machinery.

Happily, Baring Securities put him on a retainer to to advise from time to time — have the odd lunch with clients, where he could drop a spot of innocuous scuttlebutt and make 'em feel close to the centre of power.

The fee is a not chickenfeed — not would you expect it to be for someone of John's standing but his payments from Barings are not confined to the retainer.

Earlier this year he made a brief visit to Japan where he met with clients of Barings who were very interested in the Australian political scene. His invoice to cover both travel costs and his fee was $28,000. Cheap at double the price, you might say.

Barings, who are not the only firm for which John consults, also bought a slew of shares from Hewson that could scarcely be called blue chip.

When Hewson first became Shadow Finance Minister in September 1988, the then Opposition leader, John Howard, reportedly told him he could no longer be a company director but it was OK for him to be on a retainer. He was elevated to Shadow Treasurer when Howard was dumped as leader in May of this year.

Although he may well end up dealing with Barings or its clients if he becomes Treasurer, Hewson clearly feels there is no conflict of interest in his present relationship or he wouldn't be doing it.

As far as is known, Paul Keating is not on any retainer from any financial institution but he shares a number of similarities with the Shadow Treasurer.

Both dress expensively in Italian suits, own luxury Sydney homes, and like to drive fancy European wheels.

Both are well loved by the financial community. Keating's deregulation has created a bonanza for those who make money out of dealing in money. But Keating is an outsider trying hard to gain approval. Hewson is an insider who's already treated as one of the financial market's own.

Basically, the two have few policies differences. Perhaps Hewson would crack down a little harder on welfare spending, but it is doubtful if he could have brought about the massive shift from wages to profits that has occurred under Paul.

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Edited by Brian Toohey

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At Home with The Toad

Silent partner

A COUNCIL of war has been called. (No, Kim, you can't come. This one's for real.) My place. Sunday. Twelve sharp. No notebooks. No tape recorders. Straight down to business. This ICAC mob are getting serious compared to Fitzgerald.

We came out of Fitzgerald laughing. His high-minded thoughts about the various entrepreneurs who engaged in some pretty fancy financial transactions with Joh and Russ Hinze are still good for a chortle over the second Romeo y Julieta. Our favourite quote — it needs to be declaimed with great gravity — is: "Those with whom dealings took place may have neither sought nor received preferential treatment". Not so much as mention of the fact that one of the lads involved, George Herscu, had already been found guilty to bribing Normie Gallagher. What a hoot!

Sadly, there's been some churlish comment about the $2 million Fitzgerald was paid for his troubles. Money well spent, I say. The thing that really had us worried was the files showing the relationship between that appallingly uncouth brothel operator and drug dealer, Hector Hapeta, and, let's just say, an extremely well connected NSW citizen. But there was not so much as a peep out of Fitzgerald about it in his final report.

Fitzerald made us complacent. After all the fanfare, he gave us a lec .re about how crooked electoral boundaries aren't very nice. We can live with that.

Trouble is we thought ICAC would be a piece of cake, too. It still might be. There's still enough time. But we've got to get our act together right now.

We should have got going when Mick Ross's name first came up. Ex-staffer for Bedford, Sheehan, and West. Three straighter shooting Labor ministers you could never wish to meet. But Mick operated on the need-to-know principle and there were some things ministers didn't need to know, weren't there?

Moved onto head of strategic development/estate management in Admin Services. Right in the heart of things. Just the title of the job is enough to get any red-blooded developer's pulse racing. We assumed that wretched bloody Roden who's running the ICAC show would dismiss him as a bit player after Mick said he got $5,000 from Tom Hogan for a report he did while between jobs.

Continued on page 2

FEDERAL
HILL
RAYOR
THE GREAT TROPHY HEIST (Aug-Sept EYE) WAS A BRILLIANT SUCCESS. THE KERNAL OF RAPTOR'S PRECIOUS COLLECTION LAY SECURELY IN BLAXLAND'S HANDS... BUT PROBLEMS LAY AHEAD... WAS THERE ANYONE IN TOWN BIG ENOUGH TO HANDLE SUCH HOT MERCHANDISE?
VER' WELL, MON CHER .. I WILL DEAL WIZ YOU ... BUT ONLY ON MY TERMS... ÇA VA?..
..ÇA VA NUTHIN, GASTON! I WANT THIS LITTLE LOT INDEPENDENTLY VALUED!
C'EST ABSURDE! DITES-MOI, MON AMI... WHO COULD YOU TRUST TO DO SUCH A THING?
DON'T YOU WORRY GASTON... I KNOW JUST THE PEOPLE
..WITH PREVIOUS FLYING EXPERIENCE, PLEASE REPORT TO THE FRONT END OF OUR AIRCRAFT
JEEZUS H. CHRIST... WE'RE ALL GONNA DIE
WE HAVEN'T A CHANCE
WE'LL CRASH
I DON'T WANNA DIE.. SOB
SUDDENLY
..HEY FOLKS! JUST RELAX! I'VE HAD SEVEN HOURS AT THE STICK.. THAT'S ALL YOU NEED TO FLY THIS THING...
..RAPTOR! IT'S REX RAPTOR!
WE'RE GONNA BE O.K.
..RAPTOR SET ABOUT FAMILIARISING HIMSELF WITH THE COMPLEX CONTROLS - AND READYING THE HUGE AIRCRAFT...
..CIGAR LIGHTER... ..CHECK... ..STEWARDESS CALL BUTTON ..CHECK...

Then Barry Cassell gets up and says Mick is a silent partner in his consultancy firm with 13.5 per cent and that Tom Hogan gets another 13.5 per cent.

It was hard not to crack a smile, despite the gravity of the situation. Barry is an ex-National Party boss, and Tom is a Labor bigwig on the North Coast who's played host to Hawkie on a number of occasions. The reallv close mateship was with Tom's brother, "Planter" Hogan—Bob broke down on a plane and cried when he heard the the "Planter" had carked it — but Tom was still well enough regarded to be an honoured guest at the receptions for the Pope and the Irish PM when Bob had to lay the carpet out for them.

Mick's a good scout. But he's under a lot of pressure. Couldn't believe his luck when he met with Barry and Tom in a Sydney watering hole to work out tactics on how to handle ICAC. It would have to be a chance in a million, but an ICAC staffer was wetting the whistle in the same joint and spotted the three getting their heads together. After Cassell was appraised of the fact that they'd been sprung, he gave evidence that they had decided to lie to the enquiry.

Mick likes a drink, but is taking it very steady at the moment I'm relieved to say. Has talked his head off in the past to various journalists. Thank Christ, they're all in the press gallery and have momentous affairs of state to keep them occupied. But Her Majesty's Loyal Opposition are sniffing around on the whole thing. I'd forgotten they even existed. It's going to take some very adroit work to keep it all under wraps. If it starts unravelling, I can tell you it's going to bring forward a few retirement plans. I might even have to up stakes and shift to Monaco.

The *Moulin a Vent Domaine de Champ de Coup '84* I laid on for the meeting with a fillet of fresh guinea

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(The separate address for editorial correspondence and back issues is on page 3)

HERE WE ARE, PANEL.. A SOLID GOLD GOLFER'S TROPHY FEATURING MOTHER-OF-PEARL INLAY, AND WHAT LOOKS LIKE A DELICATE SILVER LEAF MOTIF WITH RUBY CLUSTERS REPRESENTING GRAPES... ..WHAT'S IT WORTH?
IT'S THE MOST REVOLTING THING I'VE EVER SEEN!
ABSOLUTELY HIDEOUS!
WOULDN'T USE IT AS A DOOR-STOP!.....
MEANWHILE, HIGH ABOVE THE LUSH, GREEN MARIJUANA FIELDS OF THE M.I.A...
..LADIES AND GENTLEMEN..DUE TO INDUSTRIAL DISPUTATION, THE FLIGHT-DECK IS PRESENTLY UNMANNED... WOULD ANY PASSENGERS....
FOR A SMOOTH LANDING
OKAY...SO IT WAS SEVEN HOURS ON AN APPLE MAC FLIGHT SIMULATOR PROGRAM
BUT WHAT OF THE PILOTS' STRIKE..
..YOU'VE GOTTA GET YOUR PLANES UP IN THE AIR, UNCLE PETER. I'VE GOT A WHOLE LOT OF TOURNAMENTS COMING UP..
WHAT YOU WANT I SHOULD DO, REXIE-BOY GIVE IN TO THE SCHMUCKS..
NOT AT ALL, UNCLE WHAT WE NEED IS A NEGOTIATOR...
..SOMEONE WHO CAN BRING CALM LOGIC TO THE DISPUTE - WHO CAN APPEAL TO THE PILOT'S SENSE OF PUBLIC RESPONSIBILITY.. SOMEONE WITH A BIT OF COMMONSENSE..
I KNOW OF A MAN IN WOLLONGONG WHO HAS THE RIGHT SORT OF APPROACH...
..HIS NAME IS HARRY RALPH NICHOLLS.... AND HE CARRIES A NAIL-GUN...

fowl and antiboise sauce was as magnificent as ever but there were some very sober-minded gents in the limos that glided away from my place that evening. Nothing so concentrates the mind, etc . . .

Ornament to the office

The gloom cast by the ICAC killjoys can't be allowed to last forever. Time to break out the *Chateau Smith Haut Lafitte (Graves)* '83 made under the expert guidance of my old friend, Louis Eschenauer. The occasion — a small dinner party to celebrate the elevation of Leo McLeay to the Speaker's Chair. I'm an unabashed modernist. Some stuffy traditionalists might mutter about the suitability of "Leaping" Leo to perform the august rites that go with Speaker's high office, undoubtedly the crowning glory of the Westminster system. I've no doubt the lad will deport himself with all the dignity inherent in the way the NSW Right does business.

I was particularly impressed by the unruffled manner with which Leo conducted himself when the NSW police subjected him to the indignity of being interviewed over the Love Boat allegations.

Remember how Virginia Perger, *de facto* wife of former karate champion and secretary of the Enmore branch of the Labor Party, Joe Meissner, claimed to have been out on the Love Boat with various political heavies?

Leo told the police that he had been fishing on the boat with Joe, Tom Domican, and Stephen Loosley. But no women were on board — a point confirmed to the police by Loosley.

Tom could not make it to the swearing-in of Leo as Speaker as he is currently in the clink on a number of murder raps. Joe was incommoded by an illness that has prevented him attending court over charges relating to the Love Boat claims.

Stephen has also had a brush with the courts — he's appealing a conviction earlier this year over his handling as NSW party secretary of a donation from the Harris Daishowa woodchip company. Leo, of course, came through Don Stewart's earlier enquiries into the Nugan Hand nastiness with flying colours.

But none of these matters were allowed to sully the celebrations. "To the Speaker!" we cried in toast after toast, tossing hand-blown Finnish goblets over the shoulder. Unfortunately, a rather special invitee from the battery of Labor advisers in the new parliament house, and a great supporter of Leaping Leo, was unable to attend.

Chastity drops in

THE door jerked open unexpectedly. It was Queeg, the ASIS Director of Plans. Chastity quickly tried to hide her book under the office copy of the *Sunday Sport*. Not much, however, escapes the penetration of ASIS executives.

"What are you reading , old girl?" he asked, striding across the room to Chastity's desk. He flipped the sheets of newspaper away to reveal a copy of *Oyster*.

"Mmm . . . ," he said, drumming his fingers on the desk.

"I was only having a look through," Chastity explained, "to see if I was named in it."

"And are you?" Queeg asked.

"No!" she said petulantly.

"You were originally," he winked. "But we had you taken out. Couldn't have our best operative blown so to speak, eh?" he added, patting her on the knee.

"Something I can do for you, sir?" asked Chastity, who had learned to distinguish the subtle differences between flattery and ordinary sexual harassment.

A subordinate bustled in. "Sir, sir!"

"Trouble?" Queeg queried.

"Yes sir, it's a hostage crisis — quickly."

"A hostage crisis!" Queeg said, his eyes shining. "I knew that one day, despite all the sceptics and scoffers, that all the investment and training . . . Come Chastity!"

Andrew Peacock was wearing a hole in the Liberal Party headquarters carpet. "It's terrible, terrible," he said. "A Liberal Party delegation to a Senior Citizens singalong has been captured by terrorists. They're being held hostage."

"Do we know the name of the group?" Queeg asked.

"The Organisation of Long-Oppressed Voters," Peacock said. "We got this message from them ten minutes ago. He handed a piece of paper to Queeg, on which was scrawled:

LIBERALS! WE HAVE YOUR COMRADES. WE DEMAND YOU RELEASE ALL YOUR POLICIES OR WE STRING THE HOSTAGES UP. YOU HAVE TILL MIDNIGHT TO BEGIN RELEASING YOUR POLICIES OR WE HANG ONE HOSTAGE AN HOUR, COMMENCING WITH BRUCE GOODLUCK MP.

ORGANISATION OF LONG-OPPRESSED VOTERS

Enclosed with the note was a Polaroid photograph of Goodluck scowling at the camera.

"Can you do it?" Queeg inquired.

"No party of mine will ever negotiate with terrorists!" Peacock asserted.

"Just checking," Queeg said. "Good for you. You couldn't, I suppose . . . just dribble out a few bits of your tax policy, say — to give us time while we look for the hide-out?"

"Not a chance!"

"Good man, good man. Well, Chastity, looks like it's up to us. Get onto Records and see if anything's known about this group."

Chastity was back in 30 minutes. "The organisation is an obscure group," she told her boss. "None of the major political parties has ever heard of it, but it appears to have links with the PLO — the Policy Liberation Organisation and November 11th, the breakaway Labor terrorist group." They watched the minutes tick away, helplessly.

It was edging towards one when a courier delivered a package: a note saying the deadline had passed and the first hostage had been executed, and a video cassette. The cassette showed a man hanging. Expert photo analysts immediately pounced: "The mouth is closed, making it unlikely to be Goodluck."

"But," countered another expert, "he is making an indecent gesture at the hangman." A post script to the note said that John Howard was the next to go, upon the expiry of the next hour. Peacock bore up magnificently under the strain. "There will be no 'hostages-for-policies' tradeoffs while I'm Leader," he declaimed.

Then came the break they'd been looking for — a phone call. "You have been getting our messages haven't you?" the annoyed caller said. "Howard's had it already. Next hour we execute two hostages." The terrorist hung up.

"Traced?" Queeg asked breathlessly of Chastity.

"The general area," she said pointing to a map. "I've got a hunch, sir. I know that area: there's an abandoned riding school smack in the middle of it. That could be our hideout."

"Get your team out there!" Queeg ordered. "There's not a moment to be lost."

Chastity's team dropped like silent stones from the ASIS chopper. Stun grenades went through the windows. But it was Chastity and team who were the more stunned when they burst in. A fit, well and unfettered coach party of Liberal backbenchers were quietly playing cards around the kitchen table. John Howard was just about to trump Bruce Goodluck.

"Talk fast and it had better be good," Chastity said ,sweeping her snub nosed machine pistol over the gathering.

"What else could we do?" everyone said, talking at once. "You reckon the voters have got it hard working out Liberal policies — you ought to try being in the bloody party!"

ROGER RAFTERY

NIGHT FALCON

THE Hawke Government has been secretly training Papua New Guinea troops in the skills needed to suppress West Irianese tribesmen rebelling against Indonesian forces. The training has been conducted by special Covert Action units under the control of the Australian Secret Intelligence Service.

Opponents of the PNG Government have also been targets of the training which has involved elements of the Special Air Service Regiment as well as the Covert Action operatives working for ASIS. Small numbers of US and New Zealand military personnel have also taken part.

Australian teams have taught PNG troops how to capture, interrogate and kill members of the Free Papua Movement (OPM) resisting the Indonesian control of West Irian (Irian Jaya).

The action against the OPM is supposed to be confined to members who have moved across the border from West Irian into PNG territory. The final decision about the fate of anyone captured is left to the PNG authorities — the Australians are not supposed to have any actual operational role.

The counter-insurgency techniques being taught have wider application to internal unrest within PNG. Some of the local officers trained by the ASIS and SAS teams, for example, are currently engaged in trying to defeat the uprising on Bougainville.

PNG troops have been accused to burning Bougainville villages and beating up local politicians in their campaign to restore central government control. There have also been reports that Australian supplied Iroquois helicopters have been used as gunships on the island in defiance of conditions imposed by Canberra.

The ASIS/SAS training began in September 1985 in the Poppendetta — Oro Bay area under the cover of a military exercise called "Night Falcon" and has continued each year since then except for 1987. This year's version of Night Falcon, which was confined to the SAS, was held in May on the Gazelle peninsula.

Defence Minister, Kim Beazley inspected the training for the 1988 version of Night Falcon conducted near Rabaul which was publicly described as involving "specialist training including watercraft handling, jungle patrolling, reconnaissance techniques and parachuting".

Apart from the training conducted under the cover of Night Falcon, there have been reports that SAS detachments have been deployed on the PNG/Indonesian border. But this is denied by the Defence Department. It is public knowledge, however, that 20 US Green Berets have also been posted to camps near the border.

The role of ASIS in PNG raises serious question about the assurances given by former Foreign Minister, Bill Hayden, that its Covert Action Directorate was closed down following the debacle of the raid on the Sheraton Hotel in Melbourne in late 1983, when operatives were caught with silenced machine guns, masks and hypodermic syringes. While the particular name and organisational structure might have been scrapped, the covert action work of ASIS continues as strong as ever utilising specially trained personnel drawn from One Commando Regiment and the 660 Troop from the 126 Signals Squadron (see page 9).

Despite this, Hayden in an interview with the Sydney Morning Herald in August 1988 claimed, "They (ASIS) don't do clandestine operations or any of that sort of stuff, just straight out intelligence work." By no stretch of the imagination could the training of PNG troops conducted by ASIS commando and signals experts be called "straight out intelligence

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Night Falcon

Continued from page 7

work". While the first Night Falcon exercise was underway, a group of 20 PNG troops was selected for training in counter-insurgency skills including rappelling out of Iroquois helicopters flown by New Zealand and US pilots.

Interrogation methods included stripping captives naked, putting a bag over their head, and questioning them with a gun held to the base of the spine.

While the OPM was openly discussed as a reason for the training, the implicit understanding was that it would assist PNG forces to put down internal insurrections. The training is particularly sensitive because common Melanesian ties mean there is significant support within PNG for the OPM.

Assistance designed to help South Pacific Armies fight fellow countrymen is even more fraught with difficulties. It assumes Australians will approve of the way the local Army behaves — not something that could be taken for granted in Colonel Rabuka's case in Fiji. It also runs the severe risk in PNG that Australian help for any brutal measures to crush internal dissent will fan widespread resentment against the former white colonialists.

Under a previous Labor Government, Defence Minister Lance Barnard instructed the Defence Department that it was not to build scenarios based on counter-insurgency warfare in foreign countries let alone provide this sort of training. Barnard's ban came after he found that the Army had been conducting a class room exercise involving counter-insurgency in PNG. His opposition was based on lessons learnt from the Vietnam War about outside intervention in the internal affairs of another country.

One goal of the training in Papua New Guinea is to prove to Jakarta — where a number of senior officials are understood to have been briefed — that Australia is willing to pressure the Port Moresby Government into taking a harsher stand against the OPM rebels and its own internal opposition.

The assistance in suppressing the OPM is in line with a Cabinet decision taken at a meeting in Perth on September 27, 1983. Cabinet ministers, in Decision No. 2165, taken a few hours after Bob Hawke had stayed up until dawn celebrating the America's Cup victory, specifically "endorsed" a document entitled The Strategic Basis of Australian Defence Policy.

The document, approved by Cabinet without so much as a quibble from any Labor minister, said, "Australian policy should encourage Papua New Guinea to take action where ever possible to suppress anti-Indonesian activity by Irian Jaya dissidents and progressively to develop the Papua New Guinea official presence in the border region".

The Strategic Basis paper (stamped Secret, Australian Eyes Only) said: "PNG's border with Indonesia remains a particularly sensitive element in relations between the two countries . . . Movement across the border is generally not controlled and dissidents in Irian Jaya (OPM) have crossed from time to time into PNG. There have been minor incursions by Indonesian troops and aircraft in pursuit, involving a risk of clashes with PNG authorities. After a crisis or succession of border incidents, Indonesia might decide to use force in a more sustained and coordinated way to attempt to change PNG policy. The principal requirement for improving the situation on the border is that PNG accept the importance of a firmer policy to control activities on its territory which can provoke Indonesian incursions."

The policy document went on to say that the way to bring this about was to help PNG "suppress" the OPM and to develop its official presence on the border.

Ironically, the Strategic Basis policy adopted by the Fraser Government was much more moderate in tone and strongly cautioned against Australia imposing counter-insurgency programs on Third World countries. The Hawke Government's policy document took much more of a Cold War stand, basically seeing the world as divided into pro and anti Soviet camps and urging the US to modernise and expand its nuclear forces.

The Fraser document, in contrast, declared, "The communist or non-communist character of a government should not be an automatic and final determinant of Australia's strategic attitude to it" and warned against opposing political change in other countries simply for the sake of preserving stability.

In its survey of the regional outlook, the Hawke document entirely omitted any reference to the growing opposition to the Marcos regime in the Philippines. The defence planners held the belief that Marcos was firmly in the saddle, ensuring the Philippines as a bastion of anti-Soviet stability in the Pacific.

Although this was not in line with the spirit of its strategic guidance, the Fraser Government, while Marcos was in power, allowed the SAS to take part in exercises in the Philippines with US and local Special Forces which included teaching techniques for assassinating "enemy VIPs". Documents obtained by The Eye under the Freedom of Information Act show that the SAS also helped train Filipino Special Forces in Western Australia.

BRIAN TOOHEY

Who's in control?

THE covert action side of the Australian Secret Intelligence Service is thriving under new administrative arrangements which raise serious problems of ministerial control.

The public (and most members of the Labor Cabinet) were led to believe that these sorts of capabilities no longer existed after the Covert Action Directorate within ASIS was scrapped following the Melbourne Sheraton Hotel fiasco in November 1983.

However, the decision to use covert action operatives from ASIS to provide counter-insurgency training in PNG (see page 7) constitutes a major upgrading of the role of ASIS.

Ministerial control of the enhanced covert action function is complicated by the fact that most of the personnel involved wear two hats, being selected from Army units for part-time service on behalf of ASIS.

Responsibility for ASIS comes under the Foreign Minister while Army members are responsible to the Defence Minister. As a result, final control of covert action can often fall between the cracks between the two departments. Sometimes the operatives themselves are not even sure where final authority lies for the orders they are given.

ASIS selects personnel for covert action from One Commando Regiment, 126 Signals Squadron and the Special Air Service. One Commando Regiment has two companies at Mosman in Sydney and one company at Williamstown in Melbourne.

126 Signals Squadron is based at the Watsonia, Melbourne headquarters of the Defence Signals Directorate, which runs Australia's electronic spy operations. The unit of the Signals Squadron that works for ASIS, Troop 660, is contained within Watsonia under high-security conditions. (Other Troops work for DSD and the SAS.) Army members chosen by ASIS for special duties receive intensive training at Swan Island near Queenscliff in Victoria and are required to give strict secrecy undertakings about their role with the Secret Service.

Police guard access across the causeway to the island and the ASIS training centre is segregated by a high security fence. Although the training is hard, first-class accommodation is available in new low-rise units while a gracious old mansion, called Duck House, contains the mess and lecture rooms.

An extraordinary range of weapons, including plastic explosives, land mines, Russian AK-47 assault rifles, Heckler and Koch silenced machine guns, Browning pistols, Chinese medium machine guns and so on, are stored in tunnels cut into an embankment on the island. The idea is to be able to arm rebel forces without the origins of the weapons being sheeted home to Australia.

A boat shed contains specially designed rubber Zodiacs that can be inflated in a few seconds. The trainees learn to launch the Zodiacs from patrol boats, submarines and low-flying Hercules and Caribou transport planes. Members of the British Special Boat Squadron have assisted with training and exercises have been held in Western Australia with US unconventional warfare experts, known as SEALS.

Other training includes demolition techniques for sabotage, unarmed combat, parachuting, diving, marksmanship and techniques for hostage snatching. HALO (High Altitude Low Opening) parachutes are used to practise clandestine landings in potentially hostile territory. Special breathing apparatus is also used to allow frogmen to infiltrate ashore without bubbles coming to the surface.

Practice at resisting interrogation entails enduring long periods of isolation punctuated by repetitive noise intended to disorient the senses.

Exercises have been held at Gove, Weipa, Thursday Island and other parts of Northern Australia, at Nowra in NSW, and throughout Victoria (the oil refineries at Geelong and the Prahran markets are favourite locations for surveillance practice).

Disaster was narrowly averted during one exercise in Tasmania when it was discovered that a farmer had built a fence across a field shortly before a Hercules was due to land there for a "hot extraction" of some ASIS operatives. And a motel door at Nowra had to be repaired after it was damaged in a hostage rescue attempt, although the incident did not draw the publicity generated by the raid on the Sheraton.

During another exercise, a military policeman was threatened with a loaded 9mm Browning pistol. The incident occurred as part of regular escape and evasion exercises held for ASIS operatives in Victoria. The exercises, usually held in May, are modelled on the glory days of the

Deserving poor

THE Fairfax Foundation was established in 1959 for the noble purpose of alleviation of hardship of employees, ex-employees and their dependents. It was kicked off with a donation of $200,000 from the Fairfax family. Net assets today have grown to around $15 million.

The fund has lost none of its generosity along the way in helping alleviate hardship for deserving cases.

The biggest beneficiary is now none other than young Warwick Fairfax himself.

Earlier this year, the trustees agreed to a request from the Fairfax group, now owned by Warwick, for an unsecured (that's right, unsecured) loan of $10 million for twelve-and-a-half years at an interest rate of 10 per cent (that's right, 10 per cent).

On current market rates, the Foundation is foregoing almost $1 million a year in interest income.

Dress standards

Share salesman Porky Morgan and some of the Brisbane lads are setting up a club of their own to compete with the crusty old Queensland Club which doesn't allow anything so vulgar as business to be discussed within its august walls.

The informal motto of the new club suggests there may, in fact, be a slightly different ambience to that which prevails in the stately pile at the end of George Street — it goes: New Money, White Shoes, Fuck Off Old Establishment, We're Talking Business.

Needless to say, *The Eye* will retain its life membership of the Queensland Club which scored so well in the latest *Australian Business* Rich List. A gain of almost 50 per cent in the wealth of the top 300 is not bad going at a time when wages are kept to 6 per cent.

Seven crooked samurai

The seven Japanese companies, named in a Manila court earlier this year for having bribed former Philippine President Ferdinand Marcos, sail on untouched.

Former Public Works Minister, Nbaltazar (Balthazar) Aquino, told how he had personally collected the money for Marcos and put it in the Swiss Banking Corp's Hong Kong branch.

Aquino said the seven companies, C. Itoh, Misshio-Iwai, Mitsui, Toyo Trading, Marubeni, Sakai and Sumitomo, paid in suitcases full of cash.

The companies coughed up over $US4 million in order to win road building contracts funded by Japanese aid.

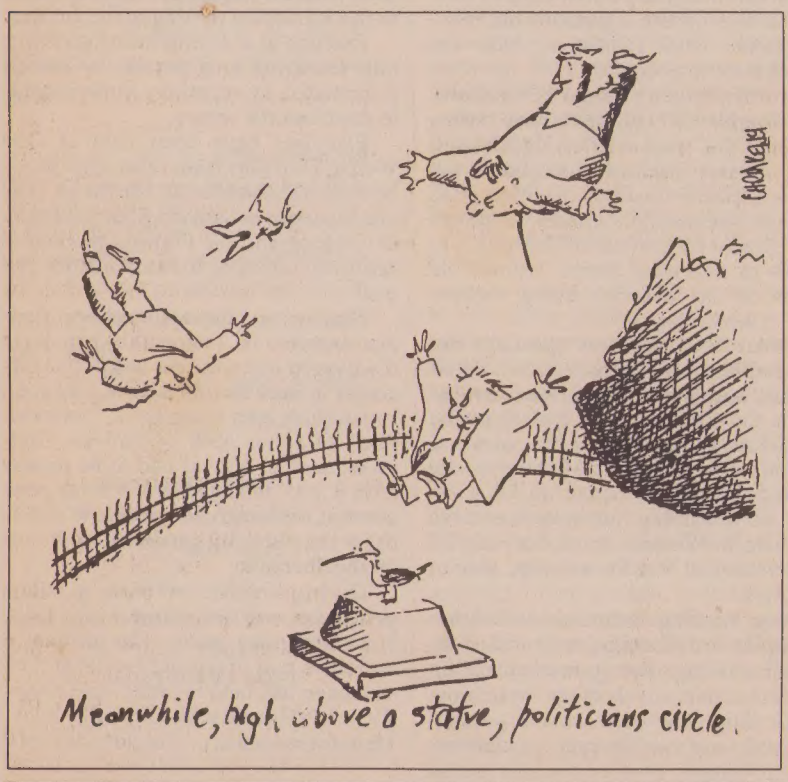
The payments were made back in 1975-76 when $4 million was still better than loose change for the delightful dictator and his fun-loving wife.

As usual, the Australian media has virtually ignored any follow-up to the story.

A competitive environment

The property game can get a bit rough at times, but a Gold Coast developer was not quite ready to deal with the management style of a particular southern interloper.

According to a statutory declaration made by the Gold Coast identity, the southern tycoon threatened to kill him if he wasn't prepared to be more accommodating over a certain development. Needless to say, the tycoon has gone on to bigger and better things, despite the details of the statement given to the National Crime Authority.



Continued from page 9

Resistance in France in World War II.

Members of 660 Troop were released in the Victorian Alps with spartan rations and told to make their way undetected back to their base at Watsonia or to designated "safe" houses. Military police and members of the Victoria Police participating in the exercise had been told to be on the lookout for the spies who were practising escaping from behind enemy lines.

On this occasion, a gung-ho escapee gained entry to Watsonia by putting his loaded pistol to the head of the MP on guard duty. On another occasion, one escapee who had been captured by the Victoria Police kicked his way out of a police van.

The degree of ministerial supervision over the nature and purpose of this sort of training is extremely loose. Foreign Affairs tries to dump it in the lap of Defence and vice versa.

Either way, these clandestine hijinks are being conducted in the name of the Australian public with all the attendant repercussions if they should come unstuck while under way in Papua New Guinea or other parts of the South Pacific.

But someone in the Labor Government must love 'em. Last year ASIS was allocated $16.6 million in the Budget. This year it got $19.9 million — an increase of 20 per cent. This is almost four times the rate of increase for government spending as a whole.

A couple of jabs from Dr B and you'll be a new woman

By Wendy Bacon

ARE you tired and bored in bed? Have you stopped having orgasms? Perhaps you need a good sleep, a weekend away or even a new partner? But if you were a woman, back in the early 70s, there was a more radical treatment.

You could have found yourself on the couch of that great medical innovator, Dr Harry Bailey, now best known for his use of deep sleep therapy, currently the subject of a Royal Commission in NSW. Bailey would have diagnosed your condition as one of "secondary frigidity". His treatment — a course of male hormone injections to make your clitoris bigger and more sensitive.

Bailey gave hundreds of women these injections at his sex clinic in Australia, or as it was officially known, the Department of Gynaecological Psychiatry at Sydney's Crown Street Women's Hospital.

Today, the use of hormonal treatment on such a large scale seems bizarre, but back then women still carried the responsibility for sexual failure. "Frigidity" was seen as a female condition. In earlier days, women were usually not expected to enjoy sex, let alone discuss it if they did not. But by the late 60s, men needed to be convinced they could satisfy women. In the Libertarian circles in which I moved, you were supposed to have "vaginal orgasms" without obvious clitoral stimulation. Women who did not manage to achieve this were written off as slightly "neurotic".

It is not surprising then that at early women's liberation meetings a common subject was orgasms or the lack of them. It was at one such meeting of Libertarian women where I first heard of the treatment. Some of us admitted to occasionally "faking" it, but one women spoke of having solved the problem by having an injection to enlarge her clitoris. Most of us were already beginning to worry about the high dosage contraceptive pills we had been taking for years and we were a little shocked at such drastic treatment. Afterwards, I occasionally wondered whether I had really heard the story about the injections correctly. In the mid 70s I worked at the Liverpool's Women's Health Centre attended by thousands of women. Never once did I hear a women complain that her clitoris was too small.

But recently, I came across an article published in the *Australian Medical Journal* in 1973 where Harry Bailey reported on the results of his treatment of 100 women referred to his clinic. He claimed 85 per cent had shown improvement after clitoral enlargement. Of these, 59 per cent had "complete orgasmic response with intercourse frequency two or three times a week and multiple orgasms obtainable."

The then registrar of the hospital, Dr Jules Black, told *The Eye* that hundreds of women had indeed been given the injections. He was one of those who screened patients for the treatment. He described Bailey as a man with an amazing range of talents who happened to be "fucking mad".

To give Bailey his due, his approach was a "multi-disciplinary total-push programme." As well as the "elevation of mood level" through anti-depressants and clitoral enlargement by hormone injections, he aimed to remove sexual misinformation and inhibition.

He handed out books like *The ABZ of Love* and recommended the use of vibrators. He used a "direct incisive approach", uncluttered by "hang-ups", recommending the therapist communicate "in the language of the people, if necessary using the sexual *lingua franca* of the area."

He did not examine how much this side of his treatment, as opposed to the hormone injections, might have been responsible for the improvement. Each part of the treatment was an "essential cornerstone" of the program. Bailey defined "frigidity" as the inability to "achieve a satisfactory and adequate sexual response when "appropriate stimulation is provided." Just what was "appropriate" was not defined. After the diagnosis, women were given three to four deep intramuscular injections of testosterone and oestrogen at 14-day intervals.

Side effects could include "breast soreness" from the oestrogen and spasmodic menstruation, increased hairiness, acne and voice changes from testosterone. For those who experienced the masculinity effects too quickly, cream was applied to the clitoris instead.

With the cocktail of anti-depressants and tranquilisers which accompanied the injections, it would have been surprising if his patients were sufficiently awake to have orgasms. They were advised to take Serapax as needed, usually 50 - 100mg a day, as well as an extra 15mg before intercourse to lower tension. This is at least three times the normal dose.

But he also prescribed a drug called Parnate which he admitted had to be carefully monitored. This is because the drug can have some nasty side effects like raised blood pressure. If all this was not enough, Bailey administered psychometrics test to see whether any other personality factors needed manipulating.

Bailey discovered that some of his patients suffered from low esteem in a "breast-oriented culture" because

A couple of jabs from Dr B

Continued from page 11

their breasts were too small. For these women, he had another solution. Always an interventionist, he made arrangement for breast enlargement operations and reported that in all cases, there was an "improvement in sexual confidence and satisfaction."

He also decided that "birth trauma" was a cause of secondary frigidity. As a general method of prevention, he recommended that obstetricians use "wide and effective episiotomies."

Eight of the 100 women dropped out of the program altogether although Bailey does not record their reasons. The two women who persevered without any sign of increased satisfaction may well have been recommended for "deep sleep therapy". Black confirmed that Bailey did refer patients from Crown Street to Chelmford.

According to Black, the clinic was originally set up to provide psychiatric approvals for pregnant nurses at the hospital who would have been sacked if they could not get an abortion. Later the University of Sydney Student Counselling Service sent students who wanted abortions. It was not long before Bailey saw the potential for Australia's first sex clinic.

But Bailey did not aim to keep his unusual treatment all to himself. He believed that the gynaecological problems of many women were really a facade for frigidity. However he recognised that because traditional approaches to treatment "embraced fairly comprehensive and time-consuming audits of the psychological inhibiting factors", most doctors would not have time to treat the fundamental problem. His treatment regime was designed for use in a "busy gynaecological service."

Dr Black told *The Eye* that soon many gynaecologists took up Bailey's ideas and began regularly giving their women patients "three jabs of testosterone and a vibrator." By the end of the 70s, Masters and Johnson and others published research which showed that the inability to have orgasms was usually associated with social problems in a particular relationship. While the vibrators stayed fashionable, the hormone injections were eventually discarded by most doctors. Frigidity gave way to the more optimistic term "preorgasmia."

But Bailey's old methods still have a place in some practices. In Dr Black's large sexual dysfunction practice, he stills uses the injections three or four times a year. Even then, he does not prescribe antidepressants.

Horse Talk

Political runner

WHEN Barry Cassell, consultant, was questioned before the Independent Commission Against Corruption, the name "Gra-Gra" came up. But more of that later.

ICAC's Assistant Commissioner, Adrian Roden QC, was interested in information provided to Cassell by a fascinating member of the Administrative Services Department, Michael Ross, about potential contractors for a new Family Court building in Sydney.

According to Cassell, Ross managed to be both a senior public servant and beneficiary of his consulting firm. It was the sort of evidence that would have caught the attention of the Public Service Board in the old days, but the Board has been abolished by the Hawke Government.

Cassell, who is a former director of the National Party, helped considerably in ICAC's understanding of the nature of the property development process. The commission focused on a note on the Family Court which Cassell said contained details given to him by Ross.

According to the note, the Commonwealth "would prefer a fresh proposal on a new site so it could wave goodbye to the two proponents (Mirvac and Hookers) they see as difficult and unreliable. The Commonwealth has not offered the opportunity to anyone else at the moment. Should we be able to establish a site and a viable option in a very short space of time the Commonwealth probably would accept the proposal as a one-off without expressions of interest etcetera on the basis of the shortage of time... Government prepared to pay up to $20 million for site."

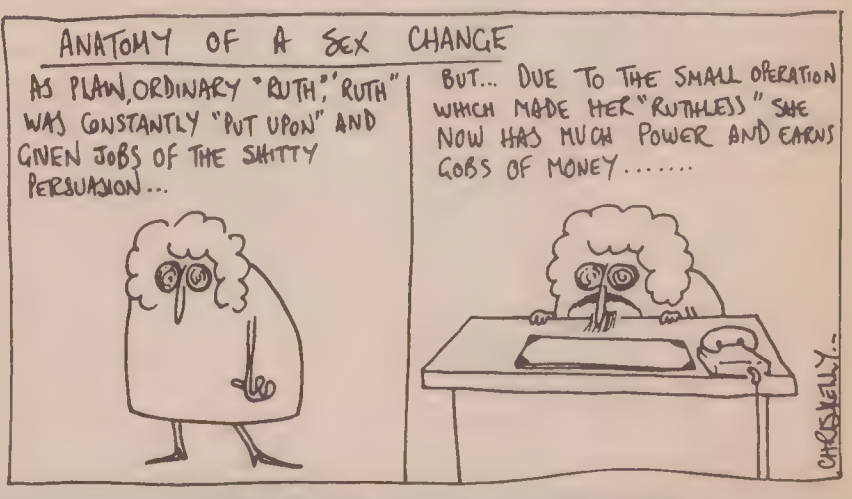
Cassell was asked, "It put you in a position of very considerable commercial advantage in respect of a government project, didn't it? He replied, "Yes".

He was then asked about a note which contained the words "Bowen - Gra Gra". Cassell said this referred to the Attorney-General, Lionel Bowen, the Minister responsible for the Family Court and "probably Graham Richardson" whose relevance was that he was a Senator representing NSW.

Discussing another note, Cassell agreed that his relationship with Ross made him a "political runner with political clout".

One of the notes said, "Wild card, Bowen to talk to state government'.

Continued on page 14


ANATOMY OF A SEX CHANGE
AS PLAIN, ORDINARY "RUTH," RUTH" WAS CONSTANTLY "PUT UPON" AND GIVEN JOBS OF THE SHITTY PERSUASION...
BUT... DUE TO THE SMALL OPERATION WHICH MADE HER "RUTHLESS" SHE NOW HAS MUCH POWER AND EARNS GOBS OF MONEY.....
CHRIS KELLY

MANDUCK
THE MAGICIAN
SLAP ON A BIT MORE TAUBMAN'S STRIPPER, AND I'LL SOON HAVE THIS STONE ANGEL BACK TO ITS ORIGINAL EDWARDIAN GRANDEUR.
HULLO MANDUCK! STILL PAINTING THE BIG PICTURE?
NO! NO! I'VE FIXED THE ECONOMY. NOW I'M GOING TO PERSONALLY RE-DESIGN EACH AUSTRALIAN CITY.
IT'S ALL PART OF THE RESTRUCTURING PROCESS.
OH MANDUCK, YOU'VE GOT A TALKING SPANIEL
SAD EYED LITTLE FELLOW, ISN'T HE. FOLLOWS ME EVERYWHERE. I CALL HIM BILL KELTY.
CAN HE REALLY TALK?
'COS NOT. IT'S AN OLD VENTRILOQUISTS TRICK.
I BELIEVE IN LOWER WAGE OUTCOMES.
SEE, I CAN THROW MY VOICE WITHOUT MY LIPS EVEN MOVING.
NOW BILL, SIT UP AND BEG.
MORE WAGE CUTS PLEASE!
GOOD DOG! NOW BEG FOR YOUR INDIVIDUAL CONTRACT.
WHY DID YOU GIVE THE GOVENOR OF THE RESERVE BANK A 130 PER CENT PAY INCREASE – HOW'D THAT FIT THE GUIDELINES?
POOR SOD! HE'D WORKED HIS GUTS OUT PUTTING UP INTEREST RATES. ANYWAY, SIR PETER SAID IT WAS OK AND BILL KELTY BACKED IT, DIDN'T YOU BILL?
WOOF
I'M TRAINING HIM TO TRACK DOWN HEWSON'S TAX POLICY.
MANDUCK GESTURES HYPNOTICALLY AND HEWSON TURNS INTO A PARROT.
PRODUCTIVITY.
SORRY, I'M SCARED HE SAID THE MAGIC WORD.
WHEN'S BILL GOING TO SAVAGE EXECUTIVE SALARIES?
OK, WATCH AS I PULL A RABBIT FROM THIS HAT. IMAGINE BILL, IT'S A NICE, FAT, JUICY, EXECUTIVE PAY RISE.
SORRY! I NEVER TOUCH PROTECTED SPECIES.
ALRIGHT THEN PRTEND IT'S A PILOT.
ATTA BOY!
NEXT MONTH: CAN MANDUCK STOP SIR PETER BEING GIVEN THE KEYS TO THE TREASURY.

Counsel assisting the ICAC suggested that both Bowen and Richardson were right-wing and Ross's influence was along different (left-wing) lines.

Perhaps *Horse Talk* can give ICAC a tip. Mick Ross has managed to establish excellent right-wing connections over the years. He worked for the Planning and Environment Minister in the Wran Government, Eric Bedford, and later for NSW Attorney-General Terry Sheehan, both of whom had solid right-wing credentials.

In 1983 he shifted to the staff of Federal left-winger, Stewart West, but ideology played no part in the appointment. Indeed, Ross has reportedly told friends that the right wing was very happy to see him get the job. In 1987 he moved to the position of director of strategic development/estate management in the Department of Administrative Services.

Apart from the Family Court development, Cassell said he had sought Ross's advice on whether the Dee Why Post office site was coming up for redevelopment, but he could not recall the meaning of another note saying "Mick Ross with project summary, 27 May, 1989". Cassell also said he consulted Ross on business migration cases while West's had been Immigration Minister.

In earlier evidence, Cassell revealed that Ross was a silent shareholder in his consulting company using the name Michael Prince. Initially he said be could not recall who the initials MP stood for but after conferring with his lawyer he agreed that he had used another name for Ross because he "knew perfectly well that it was improper and may be dishonest for a public servant in his position to be working for a private development consultant company."

He also said that the Deputy President of the Tweed Shire Council, Tom Hogan, was a silent shareholder in the company, and that this was covered up by the use of his brother, Vince, as a direct shareholder.

Tom is a former Labor candidate and another of the Prime Minister's friends.

Ross has led an busy social life, at times claiming to friends to know a great deal about various intriguing aspects of how big development projects got the go ahead in NSW.

ICAC could do worse than sit him down for a long, long chat in private if it wants all sorts of useful leads for its ongoing enquiries.

Court proceedings

Lebanese businessman Hani Taouk has been committed for trial on charges of attempting to pervert the course of justice following committal proceedings before a Sydney magistrate, Malcolm Beveridge.

The Crown alleges that Taouk offered a bribe in relation to a drug offence involving a nephew.

Although Taouk is a leading member of the Lebanese community who claims to have top-level political friendships, the mainstream media did not report the magistrate's decision. Nor did it report tapes which were played in court during the committal proceedings.

The Crown gave evidence that the tapes were recorded in 1988 by detectives working for the NSW State Drug Commission, as it was then called. Among other things, Taouk is alleged to have said on the tapes that he was a "godfather" to the Lebanese community, helping with such matters as housing.

He allegedly stressed the importance of running escort agencies in an honest fashion.

He also claimed, allegedly, to be friends with Bob Hawke, Graham Richardson and Paul Keating and that he used to pick Hawke up at the airport in the days before he was Prime Minister and drive him to the Boulevard Hotel in Sydney.

Taouk was represented in the committal proceedings by Ian Barker QC. Bail was set at $200,000, which Taouk is currently appealing.

The sad tale of the trotter

The recent *Four Corners* program on insurance claims pointed out how Young Tony Sergi had the misfortune of crashing into a Mr X. This mysterious Mr X, whom Young Tony claimed not to know, turned up in a later case and gave evidence against Young Tony's wife, Jennifer, and Al Grassby.

But this was not Young Tony's only entanglement with the insurance industry. In December 1985, five Griffith people, including Young Tony, were found guilty of conspiring to defraud Lloyds Underwriters of $350,000.

The scheme, which was described to the court by counsel for four of the five defendants as being like a: "bad re-run of a Marx Brothers movie". The court was told that Young Tony bought a horse for $1,500 and then on-sold it to a fictional person for $1,900. This mystery man then

sold the horse to the Young Tony's co-accused for $350,000 because of its alleged speed.

Obviously the horse wasn't fast enough because, after being insured for $350,000, it was shot — twice in the head and once in the leg. Sadly (for the horse), an exclusion clause in the policy precluded cover for death by wilful or malicious means, whether or not caused by any of the insured.

The sad case of Dr Zito

Another insurance setback for an ill-fated Griffith man occurred during a recent Supreme Court sitting in Griffith. The court heard how Ross Catanzariti, of 57 Poole St, Griffith, allegedly suffered serious injuries wher his wife negligently drove the car into the gutter outside the family home. Catanzariti, who told the court he was working out the trifecta for the trots when the accident occurred, immediately sought the services of a Dr Zito, whom he claimed he had never "set eyes on" before the day of the accident, January 13, 1984.

When Dr Zito was asked to explain why it was that he kept two lots of records and that on his second set of records it showed that the plaintiff had been to see him on January 3, 4, 5, 6, 10 and 11, he said that his secretary must have been mistaken because he had not seen the man until February.

The case was withdrawn after the luncheon adjournment when subpoenaed records showed that MBF had paid out on January 27 for those dates. Dr Zito's evidence has been referred to the Attorney-General. The judge said the combination of MBF forms, Zito's patient cards and the plaintiff's evidence gave rise to the belief that the claim was not genuine.

Ministerial experience

Ellnor Grassby, a successful financial adviser for the MLC Insurance group in Canberra and now Housing and Urban Services minister of the ACT Legislative Assembly, has done very well from her own property interests. After starting off with a dress shop in Griffith, "Chez Elle" she moved on to the Colonial Hotel in Werrington, which she bought in 1979 and sold in 1980 for a neat profit.

She also bought the Trades Hall hotel in 1979 for around $300,000 and sold it Sally Aw 14 months later for a reputed $750,000.

Ellnor also bought 7/84 Macgregor St, Deakin for $17,500 in 1972 and sold it for $30,000 in March 1980. In 1986 she bought a townhouse in Musgrave St, Yarralumla for $170,000.

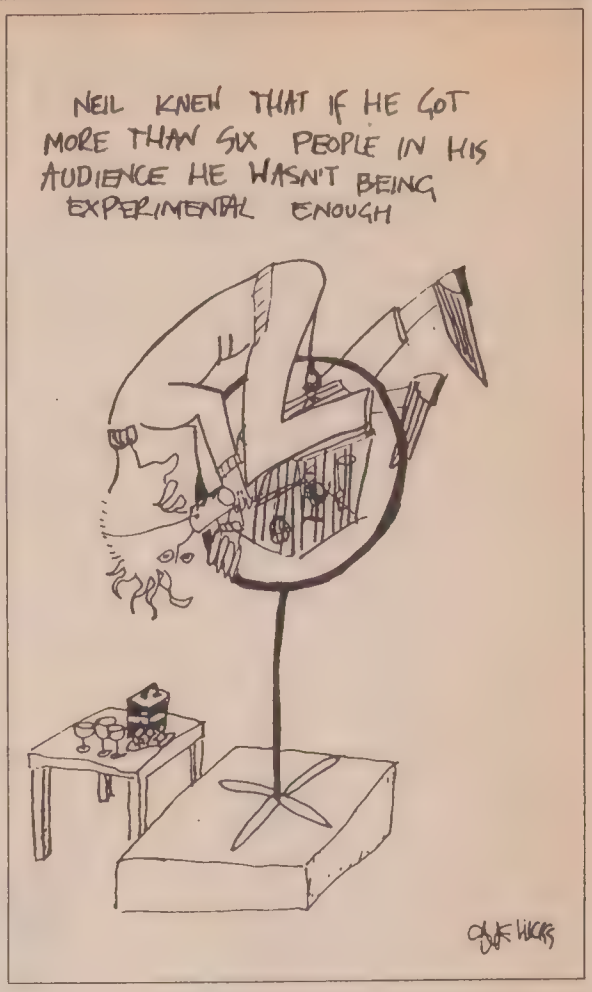
As well, in 1988 Ellnor Louez, financial adviser, of Musgrave St, Yarralumla, purchased property in Potts Point for $131,000. There seems to be no mortgage. Mrs Grassby (nee Louez) was not new to this area as from 1979 onwards she and husband Al did quite a bit of property speculation around Potts Point area.

Paper profits

The South Pacific is not just good for a tax holiday — it can be a not bad place to buy a passport. The Marshall Islands charges a modest $50,000 a go with the added attraction that five years residence allows migration to the US.

The Belize Development Corporation, registered in the Cook Islands, sells Belize passports for $35,000 each with a spouse and child tossed in for free. Demand from Hong Kong has been quite brisk although the corporation faces stiff competition from the Australian Business Migration Scheme.

Tonga is also in the market for flogging passports with its best known customer be-ing Ferdinand Marcos.



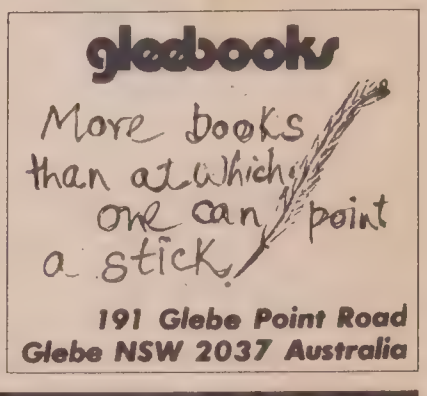
Loose change

The Minister for Little Wars, Kim Beazley, is often lauded as the champion of Australian industry as he provides massive taxpayer subsidies for the local construction of submarines and frigates. But he disappointed his fans by scrapping a project to build a locally designed armoured vehicle called the Whaler on which millions had already been spent.

Shortly before the Kangaroo 89 war games, Kim decided to buy some light armoured vehicles from the US Marines. Cost? A mere $25 million for 15 with an all-up order for 100 likely. As the production line has already closed in the US, there will be no chance to get on board for any ongoing industrial participation.

Unlike the subs and the frigates, the manufacture of armoured carriers is a fairly simple matter to perform within Australian — basically what's required is to bend some steel around a truck chassis.

Kim sealed the deal personally in Washington earlier this year. No Cabinet approval was needed. While other ministers have to fight the Razor Gang for the right to spend a few hundred thousands dollars, Beazley can splash out on as many new toys as he likes so long as the price tag for each lot comes doesn't go past $25 million. Beazley plans to buy at least 75 more, which he apparently feels are suited to reconnaissance operations in northern Australia despite the fact that they are extremely hot, cumbersome, and plough up the local landscape. Many soldiers who have the actual job of conducting surveillance across north Australia would much prefer to have more motor bikes and Toyota Land Cruisers.



Confessions of an

By Gil Appleton

I AM, I suppose, a fully paid-up member of what P. P. McGuinness calls with a sneer "the anti-Vietnam RSL". This is the prolific columnist's catch-all description of people — mostly in his own age group of 40-plus — who found their political voice in the 1960s, after 23 years of smug and supine conservative rule culminating in Australia's involvement in the Vietnam War.

To McGuinness (recently awarded a sobriquet of his own as "The Australian's resident dinosaur") the characteristic member of the AVRSL carries a whole set of contemptible lefty baggage, in particular a concern for the dispossessed and disadvantaged in Australian society.

Members of the AVRSL are prime movers in John Stone's "compassion industry". What appears to enrage McGuinness and Stone most is that many of us retain this concern despite our own relative material comfort. We are, they suggest, merely paying lip service to ideas which have no place in this decade of the supremacy of the individual achiever.

The AVRSL took up politics with the fervour of the true proselyte, and we found our apotheosis in the Whitlam years; "the Class of 75", as a wistful Bill Hayden said, looking around the gathering at the launch of The Independent Monthly recently. But the prevailing tone of the 1980s has cut away the foundations of our political commitment.

Many of us have come full circle, from apathy to passionate involvement to bemusement to despair. We are a lost generation, out of our time. What happened?

Put simply, the language of politics changed. The political buzz words these days are deregulation, inflationary pressure, current account deficit, recessionary scenario, bracket creep, fiscal drag. If you are not comfortable with terms like these — and many of us are not, though few are game to admit it — you are out of the political debate. And you have to keep up with the jargon. Who talks of stagflation or the J-curve these days? Yet these once sprang readily to the lips of economic initiates.

Behind the changing rhetoric was a fundamental shift in the way political issues are defined and government policy is developed. It is no coincidence that both McGuinness and Stone are economists, or that Andrew Peacock chose the shadow Treasury portfolio as the consolation prize when ousted by Howard as leader.

In the 1980s, economics is what it's all about, and the economic horse drags the social cart, willing or not. Increasingly, it seems, the two are not harnessed together at all.

In the Whitlam days, considerations about the social impact of any policy were paramount. Even under Fraser, lip service was paid to social concerns; in some cases — such as support for multiculturalism — there was apparently genuine commitment. But Fraser's Treasurer, John Howard, by framing the political debate exclusively in economic terms, began the rot which has been spread so enthusiastically by his Labor successors.

With a knowledge of the current jargon, you can dump from a very great height on anyone who ventures a dissenting opinion or tries to change the ground rules of the debate.

Paul Keating is the ultimate economic exhibitionist. Embellished with statistics

Body Politic 1

correct to the first decimal place, models, scenarios, markets and futures trip from his tongue at a rate which leaves everyone else in the country at the starting post. Which is, of course, why he holds today's key government job.

For many viewers, the post-Budget television confrontation between Keating and Hewson might as well have been conducted in Urdu. It was a war of words, not policies. But perhaps this was the intention. Convince the electorate that these days government is about economics and nothing but economics, and in time you have a fair chance of convincing them that you alone hold the key to this Great Arcanum. It follows naturally that to change the combination in mid-course would be disastrous.

Politicians have decreed economics is the common currency of politics and, by and large, the media play along. Who are the media gurus of the 1980s? Terry McCrann, Ross Gittins, Max Walsh and, yes, PP himself. The political journalists on whose words we hung in the 70s have had to develop considerable economic savvy in order to overcome the handicap of being regarded as generalists and stay in the race.

But why are there so many radically different economic viewpoints? How can two apparently well-informed and intelligent economic writers produce opposing views on the Budget and its implications?

All right, Paddy. No doubt the Whitlam and Fraser Governments were economically naive. No doubt national and international pressures in the last decade have pushed Australia towards a heightened awareness of the importance of economic policy. But does this mean following aspects of current economic theory

AV RSL member

without question even when their effects elsewhere have ranged from dubious to disastrous?

Take deregulation: as far as one can deduce, deregulation is one of the planks of the prevailing economic orthodoxy, especially on the Right. But the National Party rails against government interference while its adherents benefit from protection and subsidies which would not be out of place in Cuba or the Soviet Union. To the commercial radio and television industry in Australia, deregulation is fine if it means totally unfettered programming and advertising, but terrible if it means more stations.

To take another example from my own field: in the name of competition, choice and "consumer sovereignty", the British broadcasting system is being steadily deregulated. The response to both pay cable services and the more recent satellite service, Sky Channel, has been dismal. At last count, only 18 per cent of households with access to cable were subscribers, and the Murdoch-owned Sky Channel was losing $A4 million a week. No one thought to ask the British people whether they wanted these services; perhaps they were happy with the television they already had.

Meanwhile, the effect of of rampant Thatcherism on the BBC and ITV, once producers of the best television programs in the world, is likely to be devastating and permanent. And there are more than 30 different bodies involved in developing and implementing policy for the "deregulated" media system.

The high priests of deregulation would argue that the market alone should be the arbiter of entrepreneurial success or failure. But a modicum of foresight or intelligent government intervention could have prevented a massive waste of resources (and still could in Australia, where pay TV remains under consideration).

The modish emphasis on economics, and its associated euphemistic cliches, serves to dehumanise political debate. Instead of saying that a certain policy is likely to result in 200,000 out of work rather than 500,000, Keating talks of a "soft landing". The "level playing field" is a favoured phrase of the deregulationists, but the field is inevitably levelled for the benefit of corporations, not consumers.

There may be thousands of stories of individual human hardship behind every rise in mortgage interest rates or the CPI, but by concentrating on "the big picture" — keeping down inflation, increasing the Budget surplus, reducing the trade deficit — the Government hopes to keep the social costs hidden.

Why is tax reform never aimed at the great Aussie patriot who, by means of vulgar displays of expenditure on yachts and paintings, "rewards" the country while using offshore scams to deprive it of many millions of dollars in tax revenue?

Why aren't company executives, judges and politicians subject to the wages accord like the lower-paid workers who form the majority of the workforce?

Why is it up to individual consumers to buy cans of Australian rather than Thai pineapple to help reduce the trade deficit when a great proportion of that deficit is created by overseas borrowings by corporations, and $1 billion is spent on arms and defence equipment for a geographically indefensible country?

Is a rate of 8 or 10 per cent unemployment a necessary and permanent feature of a "healthy" modern economy?

To ask these kinds of questions is to brand yourself an economic ignoramus; you are likely to be submerged in a mire of econospeak.

The effect of all this has been to turn off a large segment of the electorate, the AVRSL among them. I recently heard the Governor of the Reserve Bank express the view that the Australian public had become increasingly literate in economics in recent years. Really?

We are told constantly that we have an economy in crisis, and the opinion polls (the Delphic Oracle of any modern government) suggest that the economy is indeed foremost among people's concerns.

Yet politicians base their "crisis" claim on a very different set of criteria from the more personal ones which influ-

Flying the IAC pig

By Paul Malone

IN its draft report on Travel and Tourism released earlier this year, the Industries Assistance Commission told us it "believed" international air fares could be reduced by about 20 per cent in a deregulated environment.

The four commissioners said that Australia's unilateral removal of bilateral agreements governing landing rights could make it difficult for Qantas to survive, but claimed they had explained in an Appendix G why there are "potential net benefits to Australia from unilateral removal of regulations, even if Qantas ceased to operate".

So what evidence did this appendix G provide? Well, as it turns out Appendix G

Body Politic 2

is the result of an econometric model and as a starting point it assumed a 20 per cent reduction in air fares resulting from deregulation. The study then attempted to calculate the net benefits of this to Australia.

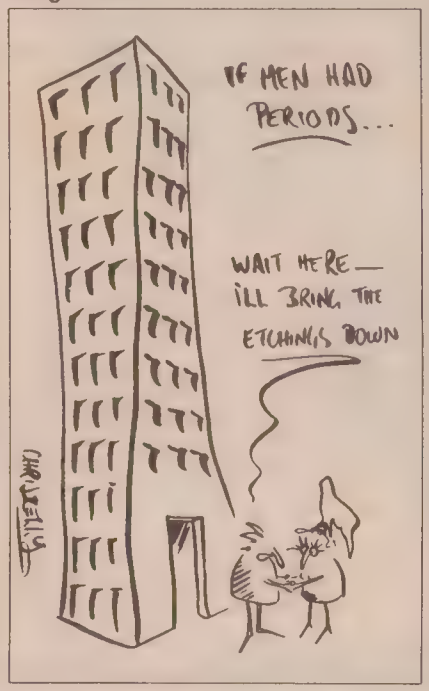
The results of the actual empirical "research" on deregulation's impact on airfares is contained in Appendix H. And what does it say? All it concludes is that the likely effect of deregulation on airfares is "unclear".

So if this open skies recommendation was to be put in place, we could lose local jobs, Qantas and its $3 billion a year contribution to foreign exchange earnings, in return for benefits that can only be assumed.

The commission is calling for submissions on this draft. In line with the commission's methodology I intended to submit that we assume pigs can fly. The commissioners can then "believe" that we will all acquire one, feed it on household scraps (under our assumptions that would be sufficient to keep a flying pig in good shape) and we could all fly overseas for free, with significant net benefits for the economy. (These pigs are fast and safe, so don't tell me that some people will still choose to fly commercially).

Now let's get back to reality — something the IAC has steadfastly sought to avoid in its 15 years of existence. Thankfully Transport Minister Ralph Willis has rejected the IAC's "simple notion" that Australia should adopt an "open skies" policy under which any foreign airline could fly into Australia even if its government denied the Australian carrier a fair chance to compete on an equal basis. "No country of any aviation standing, or any of our bilateral aviation partners, have adopted such an approach by unilaterally deregulating landing rights for foreign carriers," Willis said.

Perhaps the IAC commissioners should have asked themselves why this is the case before making their ludicrous proposal. The truth is that out in the real world there is not a flat playing field with free and fair competition. It's all horse trading and you can't afford to give something away without negotiating something in return.



Glaring omissions and enormous assumptions have been the IAC's stock in trade. People who would be put out of work through the implementation of an IAC recommendation are "assumed" to find alternative work. Time and time again governments have sought to get the commission to take account of the social implications of its decisions. Amendments have been made to the Act specifically requiring such matters be considered.

But the governments may as well not have bothered. The commission has been locked into a fairyland and until recently has successfully held most of the media and most politicians spellbound, believing its reports were invaluable.

Take, for example, the IAC's major report of 1986 on Textiles, Clothing and Footwear which said 20,000 people could be displaced as a result of its "preferred option" (which was not implemented by the Government) and blithely concluded that these largely unskilled, mainly female, migrant workers, many of whom lived in regional centres, would find alternative work.

An even more glaring omission ignored by those who purport to be economic journalists was the IAC's failure to deal substantially with the impact of the 1983 decision to float the dollar which has significantly affected the viability of import competing and exporting industries. Nevertheless that IAC's lengthy Textile, Clothing and Footwear report only had a few footnotes on the exchange rate. It was all too hard really, having to think about tariffs on the industries in relation to the exchange rates. Best just to assume the good old fixed exchange rate.

The IAC merely cried "Cut tariffs" every time it opened its mouth and never answered the difficult question of how Australia could develop more competitive, efficient industries. Wiping industries out is easy. Working out ways to get industry development is the hard bit.

It is impossible to say how the new Industry Commission, which the Government has announced will replace the IAC, will perform. But judging from the references the Treasurer, Paul Keating, announced for it on Budget night, it has the potential to take a new turn and offer something constructive. For example, there will be an inquiry to look at the economics of recycling which could identify impediments that could be removed. Or the inquiry into raw material pricing for domestic use could come up with ways to increase our processing of these materials — in short, produce something

Body Politic 1

Continued from page 17

ence most people's judgement about our economic health or lack of it — in a nutshell, what it costs them to live.

Of course, it may suit the Government's purposes very well to keep people worried. Perhaps we are not in such dire circumstances as we are told. But one thing is for certain — we will be the last to know.

Gil Appleton edits a monthly newsletter on media and communications, Communications Update.

constructive to try get some dynamism in the economy rather than simply bucketing the industries we have.

One cause for concern must however be the fact that Keating has charge of the new body. He took over responsibility for the IAC after the 1987 election amid a great fanfare but in the year that has followed there has been nothing to justify this trumpeting.

The task which must be kept at the forefront is how do we get the right sort of development? The answer, at least in part, lies in constructive trilateral planning — not the free trade rhetoric which has been so fashionable.

The steel industry was in a precarious position in 1982-83 and had it been left entirely to the "free market" it would have gone freely to the wall. Instead, the steel plan was implemented and the industry has been able to exploit the opportunity offered by the decline in the Australian dollar with an improved export and import-competing performance.

The car plan has seen positive developments, although no one would claim that things have been perfect. And the shipbuilding plan has been a resounding success, the industry now contributing significantly to exports.

Everybody knows that Japan did not get where it is by way of free trade. It exploited other countries' willingness to open their doors. Nor did the United States build its industry on free trade. And the same is true today of the much touted South Korea.

Of course the real banana republics are countries which allowed the total free play of market forces and fell under the control of foreign investors and local collaborators who ran the plantations.

These are the empirical lessons that should be examined when considering policy direction. And less time should be spent standing in awe of the econometric model. Like a kid's robot toy, that model has no real content.

Eyewash

"Swanton joined in, with a bass ostinato that set up a riff for Fielding to comment on. Barlow then restated it in the mimimalist manner, combining a Reichian dedication to form and the emotive power of the best Pharoah Sanders performances of the seventies. The result was incantation with *film noir*-ish overtones."

Matt Dickson, *2MBS-FM Program Guide*, August 1989

How Green is My Pollie?

WITH all the candidates scrambling to establish their "green" bona fides the perplexed voter may find the following check list of some help in the forthcoming elections.

1. Did your candidate come out for green politics before:
   (a) Peter Garrett (20 pts)
   (b) Sen G. Richardson (15)
   (c) Bob Hawke (3)
   (d) Robin Gray (2)
   (e) Mike Ahern (1)
   (f) Huw Morgan (Nil)

2. In your candidate's bathroom would you find:
   (a) Sorbent Super-Soft Pastel (0)
   (b) unbleached toilet paper (5)
   (c) last year's policy direction statement on a nail (10)

3. In the cistern of your candidate's toilet would you find:
   (a) a dual-flush mechanism (5)
   (b) a brick (10)
   (c) home made clay brick (15)

4. In your candidate's kitchen would you find:
   (a) Mortein Pressure-Pac (0)
   (b) a fly swat (5)
   (c) a determination to share the finite kitchen environment with the flies in a mutually understanding manner (10)

5. How does your candidate commute?
   (a) V8 Dodge Phoenix (0)
   (b) car pool (5)
   (c) public transport (10)
   (d) bicycle (15)
   (e) tandem (20)

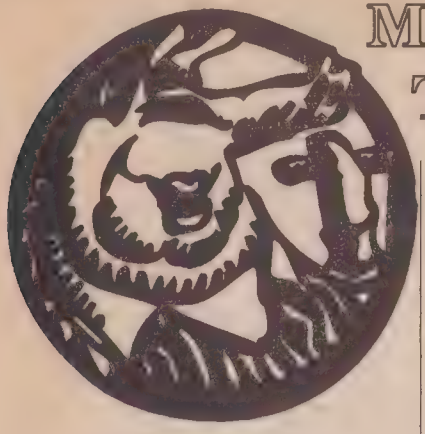
6. If you can collar your candidate on a meet-the-people supermarket walk try her/him with the following word association tests.
   (I) "Stir"
   (a) Amazonian rainforests (10)
   (b) Paul Newman & Robert Redford (5)
   (c) Aerogard (0)

   (II) "Chips"
   (a) Harris Daishowa (10)
   (b) fish/40,000 Horsemen (5)
   (c) silicon (0)

How does your candidate rate?

Less than 50	**Pea Green,** i.e. artificially coloured and flavoured
50 - 120	**Sea Green,** getting there but still some effluent outfall
More than 120	**Jungle Green:** You can safely leave the environment in the hands of this candidate (andget back to worrying about the economy).

ROGER RAFTERY



Money Talk

Dear Keith,

I know how frustrating it must be to be stuck in a hole like Uruguay when all the fun is happening back here. But stick it out, mate, at least while Henry Bosch is still in the chair. Take your cues from Josse Goldberg — he hasn't set foot in the country since the end of 1987.

You've got Colombia and Chile to keep you interested at least. Sure, it's not a patch on WA. There's blood on the floor and all over the walls over there. We've learned one thing — zip up your mouth when Malcolm Turnbull is around.

We might have a bit of action in NSW soon. NSW Inc, here we come? You would think they would learn — but it doesn't appear so. Charlie Curran has emerged as the businessman closest to Nick Greiner. He was given the job af assessing all the government agencies just after Greiner got in. Then, lately, he was appointed Greiner's special liaison with Tony Hartnell of the Australian Securities Commission. Charlie is a good bloke. Top tax brain — you remember the Curran schemes?

Anyway, Charlie has gone and bought a slice of the Ten network — most of the dud stations. Who should turn up in the consortium but the State Super Board? Does this ring bells? Laurie Connell, Alan Bond and Robert Martin had some wonderful joint ventures with the State Super Board in WA. They moved onto the SGIC then. I hope Curran has the sense to stay away from the GIO.

Talking about tax, those shopfront operations have been the bane of my life. They do returns for 2/6 which does nothing for my credibility when I try to charge $200 an hour. Now I find out that one of their blokes has been giving a bit of investment advice to retirees who came to him to have their tax done. He's skipped off with four million smackers of their dough. This will do nothing for the industry!

I've been having some fun advising the foreign exchange borrowers who are taking on the banks over the bundle they lost on their foreign currency loans. We weren't doing so well until we found this foreign dealer — who admittedly left one of the banks under a fairly heavy cloud. He filled us in on how the banks operate — the spreads they take on the loans, the embarrassing documents and staff memos they keep. What a bonanza! The banks have now had to produce thousands of pages of documents to the courts and the foreign currency borrowers are starting to clean up. The banks are really hurting. It breaks my heart.

John Elliott is copping it in the neck for being a greedy bastard. Sure, he's made millions out of the shares handed to him on a platter by gullible shareholders. But no one seems to be looking at the real winner in all this Harlin saga. You would remember that the skinning of the Elders' shareholders started back in 1986 with the BHP shoot-out, when Elliott moved in and snapped up 20 per cent of BHP to stymie Holmes a Court.

Part of the deal was that BHP finished up with $1 billion worth of preference shares in Elders. A handy bit of capital for Elliott, who then was able to move in on Courage Breweries. Attached to these prefs were 1,000 options, equivalent to about 18 per cent of Elders.

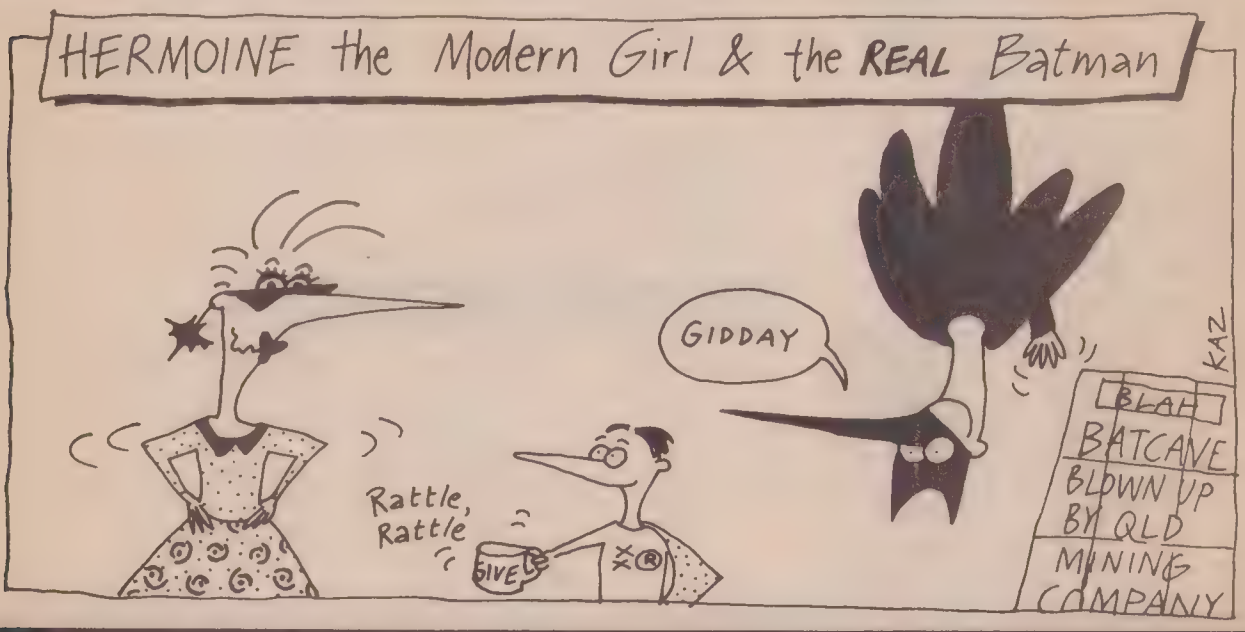
The options were transferred to AFP at a cost to them of $40 million. They managed to offload them shortly afterwards to Harlin for $397 million and they've gone on from there. Now AFP has about 30 per cent of Harlin, when you add up their options and ordinary shares in that group.

I know whose side I'd rather be on in this little deal. I guess you would claim that it was BHP shareholders who took it in the neck over that options deal. But there's no doubt about who the winner was . . . AFP.

If you want somewhere to put your money, have a look at the Aussie mining specs. I can feel a run coming on. Every punter seems to have a favourable spec these days. I got a feeling of deja vu from the late Sixties the other day. One bloke was telling me how he'd put a squillion into a gold spec. Where's the mine, I asked? That's not the point, was the reply.

Cheers,

ARABELLA



The Walkleys

Two (silk) hats

GUESS who *The Sydney Morning Herald's* much vaunted Ombudsman is representing at the Independent Commission Against Corruption hearings into property dealings on the NSW north coast?

Why, the public, of course. Wrong! George Masterman, QC, fearless representative of the peoples' interest on the *Herald*, is appearing for Ocean Blue, the developer that's been accused of all sorts of questionable behaviour, all of which might put any *Herald* journalist who fails to understand the important role played by companies such as Ocean Blue, or the skills of its counsel, in a difficult position.

Except that the *Herald* journalists have met and decided to withdraw all cooperation from Masterman in his role as Ombudsman. Eminent silk he may be, but they feel he fails to understand how journalism works. He visited Janet Hawley at her home for three hours in an attempt to cross-examine her about her comment in a feature piece of back-packer hostels that the toilets in one were "evil". He also wants detailed explanations on why particular letters aren't run, seeming not to accept that, once the obvious duds are weeded out, it's pretty much luck of the draw out of the hundreds available for any given space. But the clincher was his demand to know why a Ward O'Neill illustrationof a feature on lawyers' greed was not more "balanced". The complaint was lodged by the Bar Association of which George just happens to be a member.

On alert

The Eye's Pine Gap correspondent was delighted to receive an early morning visit from Bomber Beazley while on his way to open the Jindalee radar system outside the Alice. Beazley managed to give the slip to the big press party with him by the simple expedient of getting up early and spending a couple of hours at Pine Gap before returning to the motel.

He entered via the back door and then emerged out the front in the full view of the media sleuths who'd been herded onto the government supplied bus after spending the previous week admiring the way he'd outgeneralled the generals at the Kangaroo 89 exercise.

Makes you wonder slightly whether the elaborate machinery, being set up with the full connivance of the media to "vet" all reports out of a war zone is over-estimating the terrier-like qualities of the journalists who have been "accredited" to accompany the diggers when the balloon next goes up.

Some of the journalists actually got dressed up in military uniform during Kangaroo 89 as did Bomber B, apparently oblivious to the good reasons behind the traditional demarcation between civilian and military authority.

In an act that looks suspiciously like pettiness towards a critic, Peter

The Walkleys

Continued from page 21

Young (easily one of the best informed journalists on defence in the country) was not allowed on the media plane that did the guided tour of the most expensive peacetime exercise ever held in Australia.

What a difference a day makes

The front page headline in the *Financial Review* the day after the latest national wage decision was "ACTU scores wage coup". Pamela Williams told readers, "There is no doubt that the adoption of the ACTU's proposal for a 'minimum-rates adjustment' for the lowly paid is a rout for the employers . . . The decision is one of the most serious setbacks suffered by the Confederation of Australian Industry in years . . . On the face of it the decision is a substantial victory for the ACTU which has achieved a virtual carte blanche for its strategy to realign wage rates across the country around a new minimum rate of $407 for metal or building industry tradespeople".

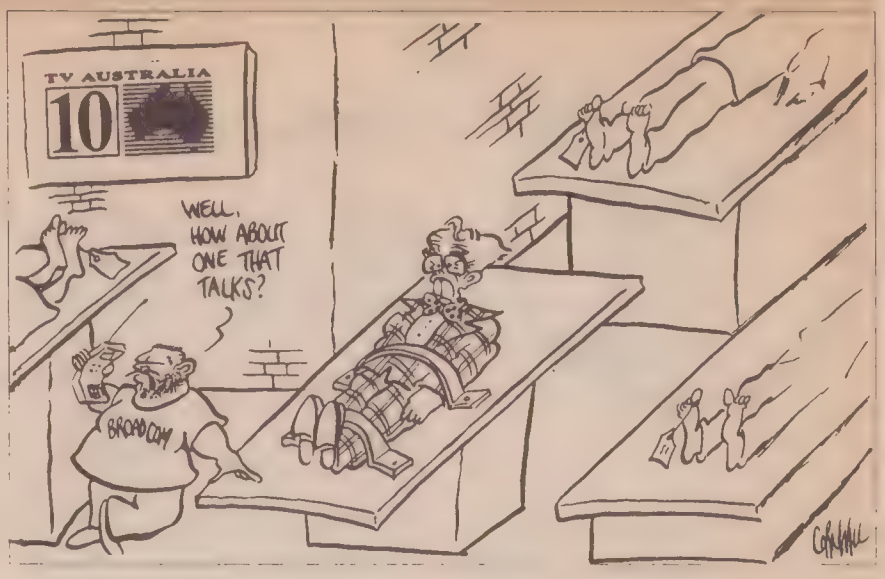
The next day the page one headline told a different story, "Hidden sting in wage ruling".

Far from the decision on lowly paid workers necessarily being a "rout" for the employers, Ms Williams now reported that the ACTU's promises of very big increases for these workers "look decidedly sick" although she did not explain just how what was contained in a public document was "hidden".

The following day, after another look, she reported that— for the low paid — the National Wage Bench had delivered in many cases a "negative result or zero increase, while for others it is capable of delivering only around $5-13, payable in four instalments over two years rather than the anticipated $30".

In fact the employers have done extraordinarily well out of the decision which opens up the prospect that unions will have to bargain away job conditions that have been won over decades in order to qualify for wage increases under award restructuring. Williams made a half-sentence reference to this process — without any hint of the gains available to employers in her first report.

Industrial relations *aficionados* read Ms Williams to find what the ACTU's Bill Kelty is thinking. Unfortunately, on this occasion, Bill — who we are so often told does not suffer fools gladly — needed a few second thoughts on what it all meant.



Talking head

Financial journalists are exposed to their fair share of arrogance when their duties bring them in contact with the moguls of the business world. But few had experienced a more robust example of the entrepreneurial ego than that displayed by Frank Lowy after he paid Rupert Murdoch a staggering sum for the Channel Ten stations in Sydney and Melbourne.

Lowy was scornful of the standard of management under the old regime, laughing about how it had still turned a profit. He invited one journalist to imagine how much money could be made after his new broom had swept through the place. For all his boasting, the place went backwards at a rate of knots under Frank, culminating in a humiliating sale at a spectacular loss.

The Broadcasting Tribunal should have its hands full if it ever gets around to trying to untangle the complex financial arrangements of the AFP/Linter Group which controls Broadcom, the private company now the owner of the Channel Ten stations in Sydney, Melbourne and Brisbane.

Directors such as Peter Scanlon and Richard Weisener have had strong ties with Elders, and considerable expertise in the mysteries of the Euro-bond market.

One who knows

Those who scoff at suggestions that the media barons mighn't always keep governments at arm's length could do worse than listen to the words of Rupert Murdoch. Speaking recently at a conference in Edinburgh, Murdoch warned: "When you depend on government for protection, there will come a time when that government, no matter what its political complexion, will extract a price. The pressure can be overt or, more likely, covert. The result is the same — less than independence, neutered journalism."

Coming from someone who has received his share of protection from

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the Hawke Government, the warning might be worth noting. After all, he's an American citizen who's been shielded against the ample provisions of the foreign investment guidelines and trade practices law that could have been used to block him from controlling 60 per cent of Australia's metropolitan newspapers.

Not that Murdoch always seems conscious of just how strongly he dominates the Australian newspaper market. He blithely told another British audience recently, "Excessive concentration of media ownership would be undesirable. It would permit media owners to charge audiences extortionate prices, it would place advertisers at their mercy, and it would reduce the variety of news and views reaching the public". Couldn't have put it better ourselves!

Editorial platform

Rodney Cavalier's main claim to fame since becoming a journalist on the *Financial Review* is the $150,000, plus $56,000 interest, plus costs, he was awarded in damages to compensate for his hurt feelings following the publication of a letter by the *Moree Champion* (circulation 3,000) that criticised him back in the days when he was Education Minister in the NSW Labor Government.

Lately, apart from writing a quaint column about cricket, Rodney has turned his hand to the occasional editorial. One suggested the Liberal Premier of Tasmania, Robin Gray, should step down; another criticised the Liberal Government of Nick Greiner in NSW. Rod rang the office of the NSW Labor Leader, Bob Carr, to let him know about the paper's considered stance on the Liberals' shortcomings and who had written it.

Rodney, who is busy trying to gain Labor pre-selection for the next State election, is also suing the *Review's* sister paper, *The Sydney Morning Herald*, over a letter to the editor criticising an appointment he had made as Education Minister to the Senate of the University of Sydney.

Deserving case

Good to see the Australia Council is paying for a journalist on *The Bulletin*, Bruce Stannard to travel to China as part of a cultural exchange. Should save his boss, Kerry Packer, a few shillings to put towards his takeover bid for British American Tobacco. Bruce's main cultural expertise relates to 12 metre yacht racing, doubtless a topic of relevance to the Peoples' Liberation Navy.

Beat-up of the Month

The Australian has got very excited about the supposed activities of the Yugoslav intelligence service in a series of reports by Barry Lowe that have been long on assertion and short on evidence. The Yugoslavs, we were told in one story, have formed close ties with a Federal MP., "*possibly* with the object of obtaining intelligence reports on Croatian emigres for the communist regime in Belgrade." Possibly it was, and possibly it wasn't. We never get to find out.

We have to be content with the thought that "A source in Belgrade said information that *may* have originated from the MP, a Labor Party backbencher, had shown up in dossiers on Croatian exiles held at UDBA headquarters in the Yugoslav capital." Maybe it did, and maybe it didn't. Readers are none the wiser by the end of the story. Nor is it explained how a backbencher might get his or her hands on upon intelligence reports that ASIO jealously guards from their own minister.

True to form, another *Oz* story would have us believe that US spy satellites can identify an Arab from the top of his head, at least when it's a PLO chap called Hafez Dalkamuni. The lead feature in a recent *Weekend Australian* assured us that "Dalkamuni was observed in Tehran by at least three intelligence services: the Israelis, the Iraqis and the US which keeps a 'Big Bird' spy satellite over the country."

Unlike some satellites which are held in geostationary orbit, the Big Bird can't be "kept" over Iran or any other country — the best it can do is pass over as it circles the globe. Nor do its cameras have sufficient resolution to allow individuals on the ground to be recognised. Apart from that, it was a ripping yarn.

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Another Col. Jake Cutter adventure

Colonel Conservationist

IT had been a while since I had seen Richardson. Not that we had actually met in person. We'd only really become acquainted through the eyepiece of a Zenitt 120mm zoom lens out on Sydney harbour. That was before he became Senator Hippy, of course.

Oscar had him marked as a coming thing then and had Lonely John and me swinging by our heels from bungee ropes under the bridge trying to get some shots that could be useful later on. Nothing happened. I got sunstroke and a limp that lasted for two months for a couple of fuzzy eight by tens of Richardson blowing away all comers in an endless procession of beer drinking.

The years had been good to Richo. His hair was still thick and wavy, if a little greyer, and he hadn't wanted for food or drink. Why he'd lost his mind and turned into a goddamn limp-dick greenie was as big a mystery to you as to me. Maybe it was a woman, maybe it was the booze, or maybe he just had a terminal brain flip. Whatever the case the crazy son of bitch had Lonely John and me humping it over the Daintree for a week before we found him.

"God, I hate this place!" yelled Lonely John as he tripped over a hidden root. "Oh Jesus, I've got a leech. Urgh, I hate leeches."

I helped him up and took in the lush jungle as he put a cigarette to the slug. "Yep," I said. "Goddamn shame about these forests, Lonely John. Shoulda taken the chance when they had it you know, when they first thought about pushing that road through. Shoulda just dozed the whole fucking place through and laid down a nice flat concrete tarmac."

A voice as soft as bells drifted down, "Ah . . . the military mind. Such as it is. Welcome gentlemen. You look all tuckered out after your long journey. Why don't we all go back to my place and have a nice cup of peppermint tea."

I gawped up in amazement. Lonely John forgot about the leeches. Neither of us were ready for the spectacle of Graham Richardson, buck bunny naked, sitting in lotus position and floating an inch above the surface of a huge, moss covered granite boulder like some wierded-out, long-haired geriatric Buddha. Two bush parakeets played in the wild tangle of his hair while a baby possum slept in the cradle of his arm. It was too much.

"How does he do that?", whispered Lonely John.

"I don't know," I said, considering the clear air between the senator and the rock. "Maybe he's got some wires, or a magnet stuck up his bum or something."

A soft chuckling, like the sound of a faintly heard stream, drew our focus back to the rock in time to see Richo's hairy back drifting away into the forest.

"Come on! Don't let him get away. We'll never catch up with the bastard in this mess," I cried, and we scrabbled around the big rock.

He led us a frustrating dance through the forest, skimming easily over the ground as he moved along effortlessly, stroking the dozing possum, and laughing all the while as we stumbled, staggered and tripped in our haste and poor footing. Branches continually whipped at my face and two or three times I fell so heavily that I thought my ankle could break. Lonely John was having trouble with his pack, one strap of which had broken, causing the weight to swing and jerk around crazily. He cursed and swore with a laboured voice as the chase went on and on. And all the time a soft airy chuckle seemed to dance in the air like dappled sunlight, leading us on, mocking our frailties.

A long time after the world had become nothing more than a red pain haze and I knew we would both die, I realised that we were not moving any more, that in fact I was lying on my back somewhere, drenched in sweat and starring into a canopy of strange tropical leaves.

"Have some peppermint tea, Colonel. Do you the world of good," a pleasant voice advised. I turned slowly in the speaker's direction, checking for broken bones and torn muscles as I went. Richardson lay on his side (firmly on the floor now) eating fruit from a bowl. Two tiny pubescent girls fanned him with banana leaves.

"You're a smoker, aren't you, Colonel? I can always tell a smoker," he smiled happily, munching on a handful of grapes. "You've all got that deathly pallor about you, you know. You can't see it. But I've become attuned to such things up here . . . You know, I'll bet you're a Leo. Here have a grape."

I caught it in mid air, and popped it in. Nice grape.

"Where's Lonely John?"

The senator smiled and shook his head sadly. "He's resting in the other room, poor chap. Most unwell. He really ought to cut down on fatty foods. Too many free radicals, that's his problem."

My breathing was coming back to normal and I noticed for the first time that we weren't on the ground, we were up above it, in a huge tree house of some sort. There were only the four of us in this room but I could sense the presence of others, many others, somewhere about. I climbed to my feet, which hurt a bit, and walked over to a hole in the wall. The rainforest ran down the side of a mountain into the blue Pacific a few miles away. It was the

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YES, BUT WHAT DOES HE KNOW ABOUT DISCRIMINATION?
WELL, I KNOW IT WORKS!

Col. Conservationist

Continued from page 25

sort of view some people will pay a lot of money to stop other people from seeing. But I suppose this was Commonwealth property.

"You seem ill at ease, Colonel. Is there anything we can do to help, or are you just naturally uptight?"

"Actually, I happen to like being being uptight. But since you mention it you could put some clothes on."

I turned around and they were all dressed, after a fashion, in lap-laps and sarongs. It was spooky, not to mention tacky, and I decided that I didn't like working for the Environment Minister. It wasn't the ethical problem. It was just spooky.

"What is it you want, Minister? Oscar didn't say before he sent us up here."

Richardson's dreamy eyes sailed away to some point far out on the horizon. He smiled lazily and stroked a small marsupial thing I didn't recognise. "Yes I have a job for you. A very important job. The Earth needs men with your particular skills at the moment, Colonel. The situation is desperate, as you would of course know."

"Ah, y' ah. Suppose so."

"There is a multinational lumber company not far from here which has been working a large area marked for Heritage Listing. They wish to so damage the area that it can never be listed. They must be stopped. You must stop them. You will do it won't you? For the Planet?"

"Guess I got no choice really."

"Excellent!" He beamed. "We set off tomorrow."

We came in out of the morning sun, six helicopter gunships. Richardson was in the lead ship with me. About two miles out, Richardson flipped a switch on the panel and the cabin filled up with a crazy, screeching, squealing noise that completely drowned out the thud of the rotors. He smiled and pressed his throat mike. "Whale song," his voice came through my headset. "Drives the loggers wild."

"Oh," I nodded. "Great."

The loggers' camp was visible through the early morning sea mist now. The rising sun glinted fiercely off the blades of the dozers and graders. A few trails of smoke curled up from a chimney in the bunkhouse. I banked the ship and the wing copters followed as we dived into the camp, sighted the heavy machinery and opened up with the flex guns and rockets.

We hit the ground and dozens of angry hippies poured out of the choppers to run around the camp, smacking startled lumber jacks over the head with rolled up copies of Nature and Health and the UNESCO Report into the Greenhouse Effect.

I saw Richardson sail past at high speed, his arms loaded down with dozens of green paint bombs. He hurled them at anyone wearing desert boots and a flannelette shirt, yelling "Shame. Shame. Think of your children's children, you tree killer!"

I noticed Lonely John out of the corner of my eye. He had a huge yellow tank strapped to his back, feeding into a flame thrower which he turned loose on the camp. Bunk houses and offices burst into fire at the merest flick of the weapon. A couple of screaming hippies who ran past patting down their smouldering hair gave testament to Lonely John's somewhat indiscriminate target selection.

It was all over quickly. The camp was a smouldering, smashed up ruin. All the machinery lay in twisted piles of burning scrap metal. A huge stockpile of timber was being consumed in a holocaust. Some dead loggers lay here and there while the others had long ago fled into the forest.

I shouldered the Swedish K and walked over to where Richardson stood over a body. He produced a packet of seedlings from his lap-lap and dropped them onto the lifeless chest of the corpse.

"Gonna have a bit of trouble explaining this, aren't we, Senator?" I asked.

He sighed patiently. "It's all a question of balance, Colonel. Yin and Yang. A dead tree. A dead tree feller. Balance," he smiled, and turned and walked back to the chopper.

A few minutes later we lifted off. A petrol depot exploded, buffeting the ship with a heavy handed thud, and throwing a monstrous wave of fire over the forest. But the Minister seemed not to notice. He fingered an unused packet of seeds and stared off in the distance. "Ever been to Tasmania, Colonel?"

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VICE-REGAL DIARY

Monday

Press coverage of the airlines strike has been very one-sided. Night after night we've seen business types queueing up to board Air Force planes and you'd think that was the sum total of the national distress being felt.

Not one media outfit has had the wit to pick up the phone and call my ADC to find out how it affected those of us who have accepted the call to national duty at the Vice-Regal level. Not one.

I should have thought that it would have been of invaluable assistance in raising national morale for the ordinary Australian to learn that in our dark hour sacrifices were being made at the highest level in the land. After all, didn't the King tour London's slums during the Blitz?

I gave Codd a rundown along these lines (a 15-minute talk on the ABC, I thought, filmed in the drawing room at Yarralumla) and he said he'd take it up with the PM.

Pretty soon had Willis on the line. Wanted to know if I'd set anything in train. Sounded panicky. Said he thought the idea would not be helpful. Drawing attention to the VIP fleet, involving Vice-Regal office in politics, etc, etc.

I told him that from my knowledge of the Australian people, moving around the country as I do, there were great reservoirs of goodwill towards my office and, dare I say, towards Dallas and myself, and just the other day in Devonport, the Deputy Mayor had said to me . . . but Willis said he had the PM on the other line and rang off.

Actually, of course, one is not moving about the country the way one should be, owing to the requisitioning of one's plane for non-Regal use. I have no complaint with that, let me emphasise. It is part of the equality of sacrifice of which I have just written.

Tuesday

But it's been galling to miss so many appointments – the Albany Eisteddfod, a particularly important civic reception in Port Augusta, a conference of the Mackay Advancement Society, a whole series of follow-up functions in Devonport – without the Australian people having the faintest idea of what one has been forced to give up.

That individual contact with the people, which Dallas and I so prize, simply became unavailable. The cost is not only to us, but to those hundreds and thousands of ordinary folk who so look forward to our visits (even if it is only to get a glimpse of us waving from the Rolls). This is truly one of the hidden tragedies of the airlines strike.

Had the ADC sound out Codd on the following idea. Since one is pretty well confined to barracks by this whole wretched business (and I thought one of the reasons the party wanted Hawke was that this kind of thing wouldn't happen, by the way), and since international flights are still operating, might it not be opportune to draw up a modest itinerary – Vanuatu, KL, Hong Kong, maybe a rest in Bali on the way back – to help cement ties in our region?

Willis rang back. He sounded tired. How would it look, he wanted to know, if the pictures on the evening news of people not being allowed on to planes were interrupted to show a picture of me getting on a plane for a junket? I felt "junket" was insensitive, but I had to agree that, with one's image so important to the national mood,

Wednesday

Decided this morning that important though it might be to stand by in Canberra in case the Government needs my approval for the emergency measures at short notice, I could be of more use to the Australian people if I were to base the Vice-Regal HQ at Admiralty House.

After all, the Cabinet can pop up here to consult me, whereas while I am sitting around Yarralumla I am inevitably cut off from the people.

There is no one to invite to dinner in Canberra. The Press Gallery has been around here so often that they're on first-name terms with everybody from the butler to the cat, while if I see another person from the diplomatic corps I will cry.

In Sydney, there are people from the arts and entertainment fields, people of discernment and joie de vivre whom it is a pleasure to invite to one's house. And we should not forget the importance of not abandoning cultural pursuits, merely because there is a war going on. No, I shall be able to contribute much more to the national effort from Admiralty House.

Thursday

I must say that Paul has taken the Moody's downgrading badly. I rang him to say it was just like receiving one poor mark for a tutorial paper, before remembering (dear me!) that Paul never went to university.

He's very glum. He's thinking of of handing back his Treasurer-of-the-Year plaque. I think what's really got to him is that they've put us in the same basket as Spain. Paul wouldn't be seen dead in Spain.

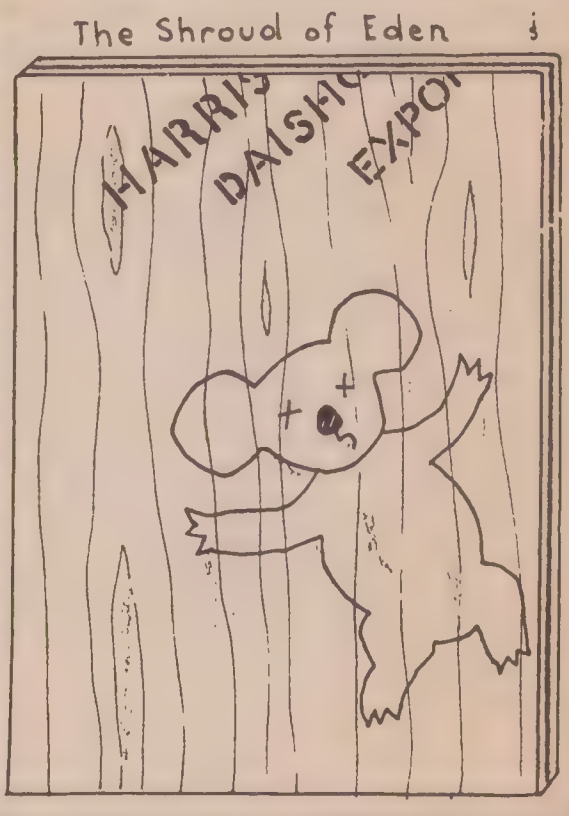
Friday

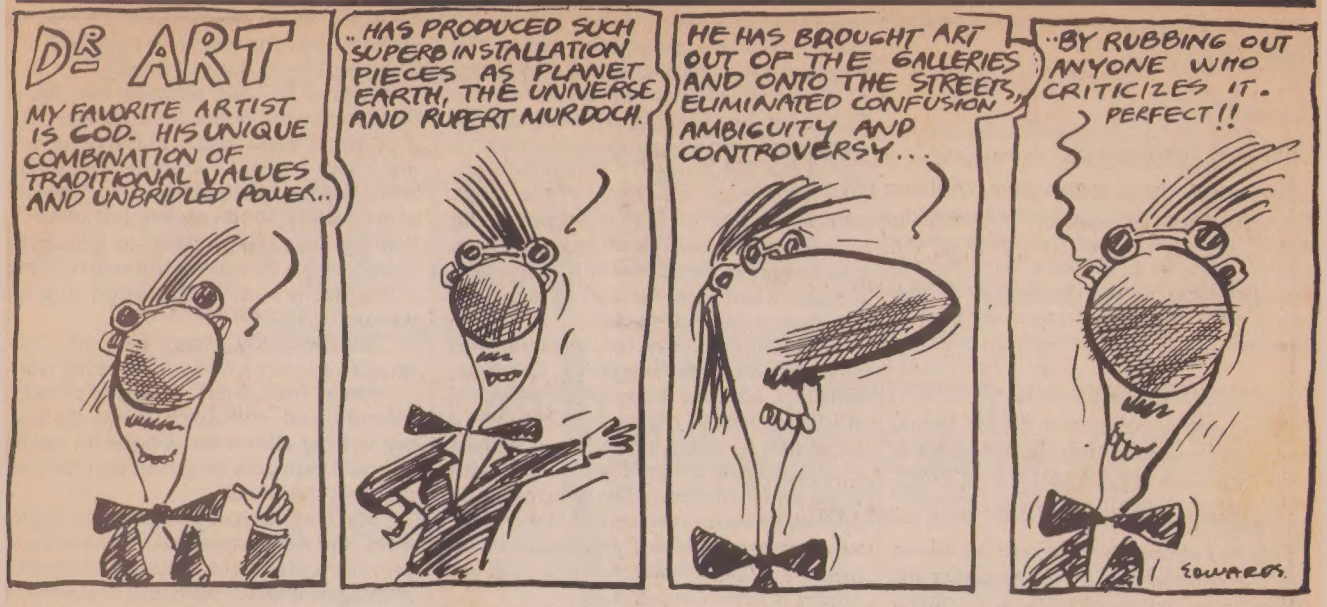
Feel things are moving inexorably towards a crisis. Have had the little speech-writer fellow, on a hush-hush basis, picking up a few bits and pieces from the library that may come in handy. Cicero, Lincoln, Churchill, that kind of thing. Told him I wanted emphasis on destiny, common purpose, darkest hour, leadership.

It is perfectly clear to me that this cannot be a speech from our political leadership, regardless of which party is in power. It will have to come from someone above party politics and truly inspire the relationship of trust with the people to allow him to make such a speech, and be listened to. The time is nigh.

There were those who carped and mocked when I accepted this, the highest office in the land. Indeed, there have been times when, in the watches of the night, after a particularly gruelling day, I, too, have had doubts. But no longer.

No, it has already become apparent to me, and the day is fast approaching when it will become apparent to my critics, that by agreeing to serve my country in this capacity I have not simply put myself in a position to help Australia, but to save her. Long live the Queen!

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EDWARDS

Matters Cultural

THE head of the Drug Offensive, Fiona Howarth, had the chance to liven up proceedings at an international conference in Japan recently. Planning to illustrate Australia's imaginative contribution to the audio-visual genre, she grabbed three videos from the office as she was leaving Canberra.

The videos, made for select members of the gay community, portray a couple of chaps in the cot "having a very good time, indeed", as Basil Fawlty would put it, and other tasty scenes from Kings Cross. The *pièce de résistance*, however, has the camera thoughtfully placed under a restaurant table so it can capture the more poignant moments as various chaps grope one another before another camera brings us the *denouément* — a waiter with a condom on a tray.

Yep, it's another Safe Sex message from the people who brought you the Grim Reaper. The only trouble is that Fionna had raced off with the wrong videos in her dash to the Tokyo plane and had left behind some rather more anodyne examples of Australia's war on drugs.

Husband Mike Codd, who happens to be head of the Prime M'inisters Department, rang into Fiona's unit demanding to know why she hadn't been despatched with videos more suited for family viewing.

□ □ □

Reports are still coming in of the support given to Australian arts workers by the Medici of the Victorian Trades Hall, John Halfpenny, during last year's Venice Bienniale. John was staying at one of Europe's most magnificent hotels, the Danieli, tossed a couple down at one of its ritziest bars, the Cipriani, and made it to dinner at Harry's Dolci to celebrate the opening of the Arthur Boyd exhibition in the Australian pavilion. Unfortunately, the Boyds were only on show for a few hours as the conditions in the Australian pavilion were not considered adequate for the preservation of the paintings.

Also in attendance at the dinner was Transfield boss Franco Belgiorno-Nettis. With the Transfield consortium winning the frigate contract for its Williamstown dockyard, Franco should be able to afford a few extra paintings for his already outstanding collection.

Life for Halfpenny is not all about mixing it with the arts *glitterati* in Venice, of course. His union duties also took him to New Zealand to try to convince Kiwi workers of the merits of participating in the frigate project.

□ □ □

The arts' loss looks like being plastics' gain. Former Education Minister and Penguin Books publisher Susan Ryan had been interested in becoming head of the Victorian College of the Arts but that didn't come off. She was just starting to learn the ropes as a reporter on Peter Ross's arts program on ABC-TV when the big offer came to head up the Plastics Institute of Australia. We can only hope that as she comes to grips with the subtleties of polychlorinated biphenyls, Susan loses none of her old zest for checking out some of the globe's more celebrated literary haunts.

She was in top form on a recent visit to Dublin where her nocturnal pursuit of the Irish folk tradition caused great puzzlement to her hostess at the Ambassador's residence, Sue Burke, who couldn't possibly understand what could have kept Ms Ryan out till well past sparrow-fart.

□ □ □

The latest glossy brochure from the newly corporatised Film Australia is for a video called *Your Money*. For $29.95 you can get the sort of advice regularly handed out by such magazines as as *BRW* or *Personal Finance*. It's all a long way from *Cane Toads* and other innovative productions backed by Film Australia before it was "freed" from the shackles of government control by becoming a company.

The company chairman, of course, is none other than David Gonski, one of the "whizz kid" advisers behind Frank Lowy's financially disastrous plunge into ownership of the Ten TV Network.

□ □ □

When he's not thinking about the prospects of getting down to business for Jeff Fenech, International Management Group's supremo in Australia, David Erskine, makes a fair fist of being an art

Matters Cultural

Continued from page 29

collector. He got to know nonagenarian Lloyd Rees well not long before his recent death. Managed to purchase some interesting examples from Rees' later period that might just prove to be of more lasting value than Fenech's foray into Rugby League.

□ □ □

The oration delivered by Mr Frank Moorhouse, AM, at the presentation of the NSW State Literary Awards at the Powerhouse Museum has not received the attention it deserves.

Mr Moorhouse, whose writing career has been subsidised by the taxpayer for the best part of two decades, is, of course, the recent deserving recipient of an annual $50,000 Creative Fellowship from the Australia Council for each of the next four years in recognition of his contribution to Australian letters. His speech, entitled A Literary Living, gave him an opportunity to counter the "residual prejudices and suspicions" surrounding patronage and to lend some insights into the creative mind.

The literary author in Australia lived in three economies, he pointed out — the economy of the marketplace, the economy of social rights (payments such as the Public Lending Right) and the economy of public and private patronage which he called the Gift Economy. While modesty clearly forbade mention of the latest $200,000 worth of public patronage, he revealed, as an example of the way private patronage can work, that only a few days earlier he had received a jar of raspberry jam from a satisfied reader.

The Gift Economy, he explained, was an extension of the expression, Gift Relationship, adapted from anthropological studies by Marcel Mauss in 1924. It was a three-part formula, which began with *an invitation by the community to young artists* to present their work. Then followed *an invitation by the novitiate artist to the community to respond to the work* and finally, *the obligation of the community, once reception occurs, to reward the artist.*

He said that the act of making and the act of taking-in of stories, the relationship with the story-teller through the work, had a stabilising influence in society since art "gives us poise in the face of the malaise of the real. Every story is an addition to the seething real, to the labyrinth, but at the same time it gives to us an equilibrium, permits us to enjoy the labyrinth.

"In the absence of Big Answers and Master Narratives, we have enchantment, we have the ever-renewing delight of the never-ending making of stories."

Writing, he said, allowed him flight from society into solitude which was both a personal need and condition for his imaginative work, a solitude which also acknowledged the paradox that "the self is the society — the society lies within". Writing also allowed him to belong to society on his own terms through offering it the finished work and negotiating rewards.

"Paradoxically also," he said, "my imaginative work and other writing work . . . is relief from the pathology of privacy, solitude and self-concealment because my writing allows me oblique (or not so oblique) exposure of myself and the hidden, frightened self.

"My imaginative work gives me respite from, and resistance to, the obfuscation of prevailing ideologies and to those strident ideologies which distort and compete for dominance. My writing allows me to play with cultural heresy, for example, in erotica, to play with reversal and revenges and regressions — to find temporary relief from the normal."

Furthermore, said Frank, "My imaginative work gives me relief from my prevailing self by allowing the potential self, the discarded self, the rejected self, and all the alternative selfs to have play." Lucky readers!

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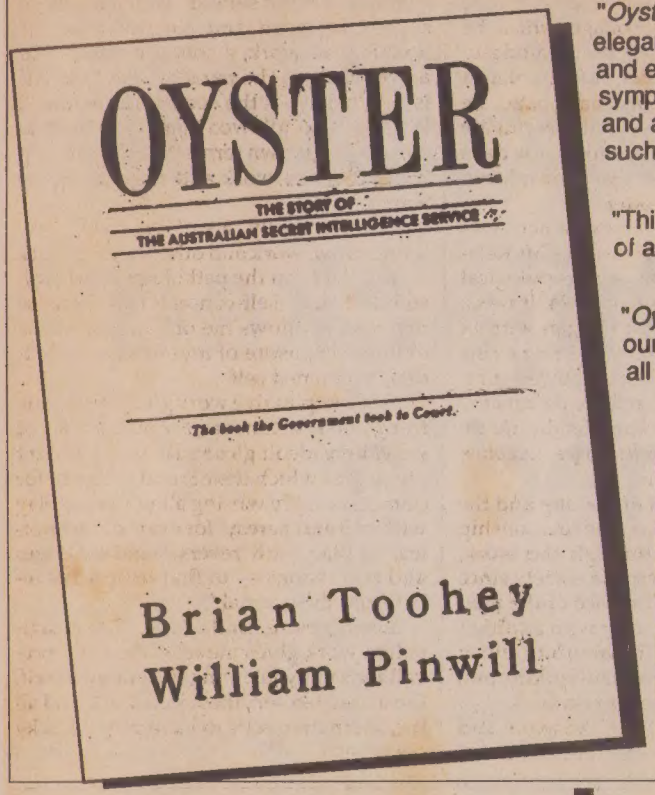

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Moscow

As autumn descends I feel a trip to the South Pacific might be in order. We've been interested to note the success of ASIS in penetrating the government of one of the more volatile islands there. Despite the imperfections of your spy service (so grossly exaggerated in that recent unspeakable book), it does manage a few worthwhile operations in your region. A longtime asset of your Service (whose case officer created quite a stir in Jakarta in the early 1980s) has managed to get himself a top consultancy post with the government in one South Pacific nation. Mind you, his previous reports from Burma, Vietnam and Cambodia would not imbue you with much confidence in his understanding of political opposition movements.

Much of this activity, I fear, has been induced by Hayden's hysteria over the Libyans in Vanuatu, leading him to dash across the Tasman on a 3 am RAAF flight to enlighten a yawning David Lange.

Our technical people estimate that about 70 per cent of all phone calls in and out of Australia will be able to be intercepted by the new satellite dishes being installed by the Defence Signals Directorate at Geraldton. With a distressing tendency to fuss about legal niceties emerging at this end, we look forward with interest to see how DSD intend handling the minor matter that it is actually illegal for them to intercept phone calls at present. Only ASIO and police granted special warrants can do that.

Your spooks have got the sort of budgetary clout we can only dream about these under *perestroika*. ASIS under Gareth got a cool 20 per cent boost over its appropriation for the previous year. But the one I really liked was the 18 per cent increase for the grandiosely entitled Office of the Inspector-General of Intelligence and Security which was described officially as assisting the PM to ensure that Australia's intelligence agencies "act with legality and propriety and that they respect human rights".

The Inspector-General, Neil McInnes, described by ASIO insiders as "well to the right of the soup spoon", managed to notch up an 18 per cent increase when the rest of government spending is being cut in real terms. Just what the office does is something of a mystery — the notion that it might be used as as a brake on the spooks is greeted with peals of laughter by the actual practitioners of the black arts.

ASIS, of course, by its very nature can't "act with legality". Its job is to break espionage laws. And OSCAR (the wonderfully named Office of Special Clearances and Research), which has supplanted ASIO for top-level vetting in Defence, isn't even subject to the Security Appeals Tribunal.

Good to see Phil Hawke prove there's life after jumping the wall. Knew Phil well around his Toyko and Jakarta haunts back in the days when he worked for ASIS. Now he's a lobbyist with Sly and Weigall's (yes, I'm told that's the name of a law firm) in Canberra. Phil was quoted as saying of his new role, "Ultimately, successful relations with government depend on contacts. Without contacts you can be the best lawyer in town and it doesn't matter."

True. I'm pleased to say we're still getting good value from some of Phil's "contacts" in his old line of work.

Fraternally

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